

## APPENDIX C - DEDICATED SCHOOLS GRANT 2023/24

### 1. Background

- 1.1 School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local Authority, and with specific regulations on what each block of funding can be spent on:
- **Schools Block (SB)**– funds primary and secondary schools through the school’s funding formula, premises funding and growth funding for new and growing schools or bulge classes.
  - **Central Schools Services Block (CSSB)** – funds services provided by the local authority centrally for all schools and academies, such as the admissions service.
  - **Early Years Block (EYB)**– funds the free entitlement for 2, 3, & 4-year olds in all early year’s settings in the private, voluntary and independent (PVI) sector as well as maintained nursery schools, and nursery classes in mainstream primary schools.
  - **High Needs Block (HNB)** – funds places in special schools, resource units and alternative provision, and top up funding for pupils with Education, Health & Care Plans (EHCPs) in all settings including non-maintained special schools, independent special schools, and further education colleges.
- 1.2 The allocations for the 2023-24 financial year were published by the Department for Education (DfE) on 16<sup>th</sup> December 2022. Adjustments to the allocations are made throughout the year for academy schools recoupment, high needs provisions and for early year’s provisions. The CSSB is generally fixed for the year.
- 1.3 The DSG is a ring-fenced grant and must be deployed in accordance with the conditions of grant and the latest school and Early Years Finance (England) Regulations. Detailed guidance for each block is contained within various operational documents issued by the Education Funding & Skills Agency (EFSA).
- 1.4 Transfers between the individual blocks of the DSG are allowed providing they meet the regulations and are approved by Schools Forum. Schools Forum, at its meeting in November 2022, agreed to transfer 0.05% of the SB allocation to the HNB and the CSSB. The final allocations were £100k to the CSSB and £714k to the HNB.
- 1.5 Schools Forum meets a minimum of four times a year and the papers for the meetings can be found on the following link: [Schools Forum](#).

## 2. DSG Allocation and Budgets for 2023/24

- 2.1 Table 1 sets out the detailed DSG allocations for 2023/24 as published by the DfE on 16 December 2022, together with additional allocation for the SB and HNB following additional funding announced in the Autumn 2022 budget statement.

**DSG Funding 2023/24**

Slough NFF Funding Allocation	School Block	High Needs Block	Central Services Block	Early Year Block	Total
	£'000	£'000	£'000	£'000	£'000
<b>2022/23</b>	159,653	31,526	743	14,461	206,383
<b>2023/24</b>	168,190	34,597	785	15,532	219,104
<b>Increase/(Reduction)</b>	8,538	3,071	42	1,071	12,721
<b>% Change</b>	5.4%	9.7%	5.7%	7.4%	6.2%

## 3. Schools Block

- 3.1 The vast majority of the schools block allocation is pupil driven with different funding rates for primary pupils and secondary pupils. The funding rates are known as Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs). These funding rates are then multiplied by the pupil numbers on the October 2022 census which show the number of children in mainstream schools and academies.
- 3.2 An allocation for growth (growing schools and bulge classes) and premises (national non-domestic rates [NNDR]) and schools funded through the Private Finance Initiative) is also added to the PUF and SUF allocations to complete the funding for the schools block.
- 3.3 The approach to setting the schools funding formula for 2022-23 has been to mirror the full national funding formula rates.
- 3.4 The School Block funding includes £1.52m NNDR funds which will be retained by the ESFA due to centralising the payments of NNDR.
- 3.5 The schools block budget has been set based on the criteria agreed on at Schools Forum meeting in January 2023 which took into consideration recommendations from the 5-16 task group. The final budgets were agreed at the January 2023 meeting of the Schools Forum based on the settlement received from Government on 16<sup>th</sup> December 2022.
- 3.6 Annexe 1 shows the final allocations against the NFF factor rates, these rates may change depending on the final allocation of the grant once Authority Performa Tools has been verified by the Education and Skills Funding Agency.

#### **4. Central Schools Services Block**

- 4.1 The central schools services block is split into two elements, historical commitments and ongoing commitments. From 2020/21 the ESFA have included a mandatory reduction of 20% in the historical elements of this block. Slough has already reduced its historical elements by more than 20% so the additional funding can be utilised within the ongoing commitments area. Funding for ongoing commitments is calculated using 2 factors, a basic per-pupil factor, through which LAs receive the majority of funding, and a deprivation per-pupil factor.
- 4.2 The central services budget allocation has increased by £42k from £743k in 2022/23 to £785k in 2023/24. This is mainly due to an overall increase in pupil numbers for which the ongoing element is calculated on.

#### **5. Early Years Block**

- 5.1 The early years block is made up of specific elements for funding of the two year old entitlement, a total of £1.4m and the three and four year old entitlement for both the universal 15 hours and the additional 15 hours for eligible children of working parents, which is a total of £13.0m.
- 5.2 In addition to the above elements the Early Years National Funding Formula allocates funding for the early years pupil premium at a rate of £0.62 per eligible child per hour, a total of £128k and disability access fund at £828 per eligible child per year, a total of £52k.
- 5.3 Maintained Nursery Schools (MNS) receive supplementary funding each year to ensure their funding is protected at 2016/17 funding levels following the introduction of the Early Years National Funding Formula in April 2018. MNS supplementary funding for 2023/24 is £949k an increase of £250k over 2022-23 funding. The increase reflects the movement of the historic cost of teachers pay and pension (£100k) from grant into directed MNS funding and a change in the way the overall funding is calculated (£150k).
- 5.4 Early Years Funding regulations state that at least 95% of available early years funding must be passported to early years providers. Therefore, a maximum of 5% of can be utilised by the authority for fund central function that support early year provision.
- 5.5 All providers are consulted annually on the distribution of the early years funding formula and the central spend is agreed at Schools Forum.

**6. High Needs Block**

- 6.1 The authority receives the funding for the high needs block based on a formula set by the DfE. The formula provides for every authority to receive an increase of at least 8% per head of the age 2 to 18 populations based on what authorities received in 2022/23
  
- 6.3 The allocation for the high needs block has increased by £3.1m from £31.5m in 2022/3 to £34.6m in 2023/4. There will be a total net adjustment to the import/export element in July to reflect actual movement. This is a net adjustment to reflect the difference between high needs pupils and students living in one local authority and attending a school or college in another.
  
- 6.3 The authority funds pre 16 special schools, alternative provisions and resource provision on 2 elements, a core place funding element which is a fixed rate and a top up element which is based on the individual pupils specific needs.

**7. The Management Plan**

- 7.1 A separate report is to be presented to Cabinet with a more detailed update on the DSG's deficit and management plan.

## Annexe 1

## Formula Factor Values 2022/23 to 2023/24

	NFF ACA	NFF ACA	Increase	
	2022-24 £	2023-24 £	£	%
Primary Basic entitlement	3,544.58	3,641.00	96.42	2.72%
Key Stage 3 Basic Entitlement	4,998.70	5,134.00	135.30	2.71%
Key Stage 4 Basic Entitlement	5,633.17	5,786.00	152.83	2.71%
Primary FSM	499.70	510.00	10.30	2.06%
Secondary FSM	499.70	510.00	10.30	2.06%
Primary FSM6	624.55	750.00	125.45	20.09%
Secondary FSM6	912.30	1,090.00	177.70	19.48%
Primary IDACI A	671.70	710.00	38.30	5.70%
Primary IDACI B	514.60	540.00	25.40	4.94%
Primary IDACI C	482.10	510.00	27.90	5.79%
Primary IDACI D	444.20	470.00	25.80	5.81%
Primary IDACI E	281.70	300.00	18.30	6.50%
Primary IDACI F	232.90	245.00	12.10	5.20%
Secondary IDACI A	937.10	985.00	47.90	5.11%
Secondary IDACI B	736.70	775.00	38.30	5.20%
Secondary IDACI C	682.50	720.00	37.50	5.49%
Secondary IDACI D	628.40	660.00	31.60	5.03%
Secondary IDACI E	449.60	475.00	25.40	5.65%
Secondary IDACI F	335.70	355.00	19.30	5.75%
Primary LPA	1,186.30	1,225.00	38.70	3.26%
Secondary LPA	1,798.40	1,855.00	56.60	3.15%
Primary EAL	595.85	615.00	19.15	3.21%
Secondary EAL	1,608.80	1,660.00	51.20	3.18%
Primary Mobility	97.50	207.18	109.68	112.49%
Secondary Mobility	139.75	298.81	159.06	113.82%
Primary Lump Sum	127,620.00	135,500.00	7,880.00	6.17%
Secondary Lump Sum	127,620.00	135,500.00	7,880.00	6.17%

**Abbreviations**

EAL - English as an Additional Language

FSM - Free School Meals

IDACI - Income Deprivation Affecting Children Index

LPA - Low Prior attainment