



Corporate Overview and Scrutiny Committee 15 November 2021



Dedicated Schools Grant (DSG)

- Ringfenced grant allocated to the LA by the Government to support a range of education related services
- > 90% of the DSG is allocated to the LA and paid out to educational settings based on a funding formula funding:
 - Direct education provision including academies and LA maintained schools
 - Early years providers
 - High needs education
- Spend only permitted in line with tight regulatory framework:
 - The Schools and Early Years Finance (England) Regulations
 - Children Act 2004
 - Children and Families Act 2014
 - School Standards and Framework Act 1998

DSG four block funding model

Schools block

High Needs block

Early Years block

Central Schools Services Block (CSSB)

- Each block covers different elements of education funding with the respective funding allocations based on different underlying formulae and data sets
- The total DSG the LA receives is largely based on all schools' pupil and children numbers are per census data for West Northamptonshire
- Each block is allocated to the LA but on a different basis
- Due to the majority of DSG funding being formula driven to arrive at the authority's funding allocation, disaggregation has replicated the national formulae used by the DFE for each North and West unitary
- This work was completed working closely alongside the ESFA
- The overall DSG split for WNC equates to approximately 55% of the former NCC allocation

Schools Block

- Allocated to schools for day to day spending in their individual school budgets through national funding formula (NFF) termed delegated budgets
- LAs use local funding formulae to calculate budget shares for schools to mirror NFF as far as its affordable as agreed by schools forum
- De-delegations – funding passed back from schools delegated budgets to be held centrally to fund schools improvement, trade union facilities and maintained school redundancies as decided by schools forum
- Growth fund for new and growing schools as decided by schools forum
- Submitted to the ESFA in January – current consultation ongoing ending 30 November with voting on the LA proposals in December Schools Forum
- Individual budget shares issued to schools at the end of February
- The LAs DSG grant is reduced in respect of academies, who are independent of the LA and receive their funding directly from the ESFA who they are directly accountable to. This is termed recoupment.

High Needs Block

- Covers funding or the education of pupils subject to Education, Health and Care Plans from age 0-25 in a range of provision including special schools, mainstream schools, alternative provision, independent specialist provision
- Place funding which is £15.5m is £6k or £10k per place
- Top up funding which is £36.9m is agreed locally and follows pupils based on their needs and characteristics
- Funding is calculated on the basis of a national funding formula
- Services include;
 - Sensory impairment service – speech and language therapy, equipment for visually and hearing impaired, specialist teachers
 - Specialist support services – £2m (£1.5m DSG and £0.5M general fund)
 - Education inclusion service – £0.5m (£324k DSG and £167k general fund)

Early Years Block

- Funds all early years settings for 2, 3 and 4 year olds with a statutory minimum of 95% allocated to providers
- Funding allocated via the early years national funding formula broadly £4.49 per hour for 3&4 year olds and £5.41 per hour for 2 year olds for WNC.
- Free entitlement is paid to nursery providers at a base rate of £4.05 per hour for 3&4 year olds plus deprivation at £0.28 per hour where appropriate and £5.23 per hour for 2 year olds.
- Up to 5% of the 3&4 year old funding can be used to fund LA central functions to manage and administer early years arrangements, subject to annual schools forum approval for use
- Other early years funding for 3 and 4 year olds includes:
 - Early years pupil premium to support disadvantaged children
 - Disability access fund to support disabled children's access to free entitlement
 - Supplementary funding for maintained nursery schools

Central Schools Services Block

- Funds statutory services for maintained schools and academies for the following:

Historical commitments	Ongoing responsibilities
Combined services (includes schools standards and effectiveness, parenting support co-ordinators, moderation, inclusion for example)	Admissions
	Schools forum
	National copyright licenses
PFI	Ex ESG retained LA duties for all schools
Historical teacher's pensions pre-2013	Teacher's pay and pension grant

- Central Government are reducing the historical element of the funding by 20% per annum (c£0.5m) which results in the LA general fund inheriting these costs

DSG 2021/22 budget and forecast outturn

	Gross Expenditure	Recoupment	Net Expenditure	Forecast Net Spend	Variance
Schools block	300.2	-235.7	64.5	64.5	0
High Needs Block	55.5	-15.5	40.0	42.4	2.4
Early Years block	25.9	0	25.9	25.9	0
CSSB	4.6	0	4.6	4.6	0
Total	386.4	-251.2	135.0	137.4	2.4

- WNC is not currently predicting an overall deficit on the DSG as the PFI reserve on the Wooldale Scheme is greater than the forecast £2.4m overspend
- WNC is putting into place a medium term high needs financial recovery plan

DSG Provisional Settlement 2022/23

- The Secretary of State for Education announced provisional funding allocations for 2022-23 through the schools, high needs and central school services national funding formulae (NFF) on Monday 19 July 2021
- The final allocation will be published in December 2021

	Schools Block £m	High Needs Block £m	CSSB £m	Total £m
2021/22	301.0	54.2	4.7	359.9
Provisional 2022/23	309.8	58.5	4.3	372.6
Increase / (decrease)	8.8	4.3	(0.4)	12.7
% Increase / % (decrease)	2.9%	7.9%	(8.5%)	3.5%

- Teaching and non-teaching staff pay inflation and increase in demand for specialist places will consume additional growth
- Early Years announcement for 2020-21 final funding is expected to be announced in November

Key Headlines

- 2022-23 is the final year of the three-year school funding settlement that the Secretary of State for Education announced to Parliament on 3 September 2019. Core school funding increased by £2.6bn in 2020-21, and is increasing by £4.8bn and £7.1bn in 2021-22 and 2022-23 respectively, compared to 2019-20
- Funding through the schools NFF is increasing by 3.2% overall in 2022-23, and by 2.8% per pupil. The NFF will distribute this funding based on schools' and pupils' needs and characteristics
- The minimum per pupil funding levels will increase by 2%, compared to 2021-22. This will mean that, next year, every primary school will receive at least £4,265 per pupil, and every secondary school at least £5,525 per pupil.
- The provisional increase in the High Needs Block represents the authority's share of the £780 million national increase for 2022-23
- WNC's High Needs Block is increasing by £4.3 million from 2021-22 which is the minimum guaranteed increase per head of population (8%) with some authorities seeing gains of up to 11%

Autumn budget and Spending Review 2021

- An increase has been confirmed on the Core Schools Budget of £4.7bn over the SR period, which is equivalent to a cash increase of £1,500 per pupil compared with 2019/20 amount
- In addition, £2.6bn over the SR period was announced for SEND, which is intended to provide 30,000 additional places
- The COVID recovery funding has been extended, with an additional £1.8bn. Of this, £1bn will be provided to schools over the next two academic years, with £145 per pupil in primaries, and more for secondary schools
- The Holiday Activities and Food Programme is being extended, with £200m per year to continue the programme which was introduced during the pandemic

School Numbers

School Type	Academy	Maintained	Children/ Pupil Numbers	Total Budget Share 2021/22 £000
Nursery **	0	5	13,000	1,790
Primary	83	65	34,274	141,764
Secondary	17	0	17,807	104,358
All through	5	0	6,882	37,406
Special	5	3	2,041	43,054
Alternative Provision*	3	0	Variable ~300	4,156
UTC	1	0	251	1,551
TOTAL	114	73	74,555	334,079

*including hospital and outreach, AP numbers vary through the year.

**Funded from early years block, children are shown as part time equivalents 1PTE =570 hours per annum for 2 and 3&4 year olds, not including extended hours

WNC School Balances

- Individual school balances as at 31 March 2021 total £9.89m across 73 maintained schools comprising 5 nursery, 65 primary, 0 secondary and 3 special schools.
- Of this £4.48m is uncommitted and £4.50m is committed
- School deficits occur due to a number of factors e.g. falling pupil numbers
- 4 number of schools in WNC were in deficit at the end of 2020-21 comprising a total deficit value of £0.18m
- The number of schools in WNC (formerly NCC) with deficits has remained the same but the value has increased by £0.10m since the end of 2019-20.

Other grant funding

Pupil Premium (DFE) c£13.1m

Disadvantaged pupils of all abilities to reach potential

- **Current and post looked after children (provided to Virtual School headteacher)**

Other grants c£7.1m

- **Provided by government to meet policy objectives, often for a set period after which either funding ceases or is mainstreamed into funding allocations**
- **Includes PE and Sports Premium, extension of the role of the Virtual School headteacher for example**

Schools Forum

Membership

- Representatives from maintained and academy schools (make up at least two thirds of the membership)
- School members will be head teachers (or their representative) and governors
- Other representatives from early years, 16-19 and the diocese

Governance

- Minimum of 4 (public) meetings per year
- Guidance set out in [Schools Forum operational and good practice guide](#)
- Consultative role but in some situations has [decision making powers](#)
- DFE role to adjudicate if required and check for compliance with regulations

Schools Forum Powers and Responsibilities

The LA will generally propose, decide or consult on the following:

Function	Schools Forum Role
Formula change	Must be consulted and inform governing bodies
Movement of up to 0.5% from the schools block to other blocks	Decides
Contracts	Gives a view and informs governing bodies of consultations
High Needs and Early Years financial issues	Gives a view and informs governing bodies of consultations
Minimum funding guarantee (MFG)	Gives a view
De-delegation	Decide for their phase
Central spend	Decides
Scheme of financial management changes	Schools members only - approves

Questions?