

DERBYSHIRE SCHOOLS FORUM

30th January 2023

5:00pm

County Hall, Committee Room 1

AGENDA

1. Apologies for Absence
2. Minutes of the Schools Forum meeting held on 15th December 2022 and actions arising p.2
3. Briefing note: 2023-24 Funding Settlement update including: Mainstream School funding, Pupil Growth Fund, and Central Schools Services Block p.8
4. 2022-23 Budget monitoring – quarter 3 p.12
5. Update from Dan Careless, Strategic Lead for Schools and Learning
6. High Needs Block budget proposals 2023-24 p.18
7. Early Years Block budget proposals 2023-24 p.29

Please remember to send any apologies to
CAYA.BSHQSupport@derbyshire.gov.uk

DERBYSHIRE COUNTY COUNCIL DERBYSHIRE SCHOOLS' FORUM

Minutes of the Meeting Held on 15th December 2022 Committee Room 1, County Hall at 4pm

Present

Members

Name	School / Organisation /
George Wolfe	Curbar Primary
Siobhan Johnson	The Brigg Infants
Jennifer Murphy	Hunloke Park Primary
Peter Johnston	The Village Federation
Michelle Jenkins	Etwall Primary
Nick Goforth	Belper Secondary
Peter Hallsworth	South Normanton Nursery
Julian Scholefield	Esteem MAT
Emma Hill	QEGS MAT
Keith Hurst	Brookfield Community School
Peter Crowe	ASCL

Substitutes

Name	School / Organisation
Cilla Holman	Hadfield Infants School

Observers

Name	School / Organisation
Cllr Alex Dale	DCC

DCC Officers/others

Name	School / Organisation
Saranjit Shetra	Assistant Director, Education & Improvement
Amanda Gordon	Early Years Manager
Phil Burrows	CS & T Finance
Shelley Kerslake	CS & T Finance
Andy Walker	CS & T Finance
Ruth Lane	CS & T Finance
Eddie Grant	CS & T Finance

Peter Johnston chaired the meeting.

PJ confirmed that the only person to have put themselves forward for the position of Vice-Chair was Julian Scholefield and therefore he was duly elected.

22/19 Apologies

Name	School / Organisation
Alan Thomas	Northfield Junior
Jeannie Haigh	Willows Academy Trust

Name	School / Organisation
Nicola Foulds	The Dales Federation
Sarah Baker	TEAM Education Trust
Donna Wakefield	Redhill Academy Trust
Tom Osborn	Baslow St Anne's
Simon Redfern	St Ralph Sherwin CMAT
Margaret Mason	Children 1st
Canon Carolyn Lewis	Church of England Diocese
Ben Riggott	Parkside Community School
Cllr Julie Patten	DCC
Dan Careless	Strategic Lead Schools & Learning, Children's Services
Carol Cammiss	Executive Director, Children's Services

The Clerk confirmed the meeting was quorate.

22/27 Minutes of The Schools Forum 19th October 2022

PJ went through the action points listed at the end of the minutes, all of which had been completed.

SK confirmed CG, the special schools' representative, had agreed de-delegation for 2023-24.

Cllr Dale confirmed lobby activities by F40 group had taken place.

Dates for next meetings have been set as 30th January 2023 and 28th June 2023.

Pay award information has been shared.

There were no other matters arising.

22/28 Autumn budget statement

SK presented the paper to update the Schools Forum regarding the potential implications of the Autumn Statement 2022 for school funding.

Additional Core Schools funding of £2bn for 2023-24 and 2024-25 was announced in the Autumn Statement after an adjustment of £0.3bn to account for the removal of the compensation for employer costs of the Health & Social Care Levy. Of this £2bn, £0.4bn will be allocated to meeting pressures within high needs budgets and the remainder to mainstream schools and academies.

If Derbyshire were to receive the same proportion of this additional funding as it did of the funding allocated at this time last year via the new School Supplementary Grant (SSG), the High Needs Block would be ~£10.73m (10.7%) higher and Schools Block would be ~£34.121m (6.3%) higher than 2022-23 funding. The DfE have confirmed that the additional funding will be received as a grant which is good news for schools in receipt of Minimum Funding Guarantee and Minimum Per Pupil Level funding.

According to the DfE, a typical primary school with 200 pupils will get approximately £28,000 extra, secondary schools with around 900 pupils will receive approximately £170,000 more from the additional funding.

In addition to the above, an additional £447m investment to shield schools from high energy bills has been announced. Schools and colleges in England will be allocated the funds to spend on energy efficiency upgrades, help save on bills during the winter months and manage energy consumption. Funding will be allocated at the rate of £20.06 per weighted pupil plus £10,000 per institution, which the DfE estimates will be worth £16,000 to an average primary school, whilst an average secondary school will receive approximately £42,000. It is estimated that institutions in Derbyshire will receive around £7m from this announcement.

JS asked for clarification if special schools would receive any of the additional funding. PB confirmed the DfE are to take steps to ensure that they do.

MJ asked if the energy efficiency funding could be spent outside of DCC Property Services. PJ replied that Devolved Formula Capital (DFC) funding could be spent with whoever the school chose.

PJ thought that for the four schools in the Village Federation the estimated additional funding estimated in the School Support Finance (SSF) spreadsheets approximately covered the increase in utility costs and the pay award.

AW pointed out that there was no additional funding towards the 2022-23 pay award in the current financial year.

NG asked for clarification that 2023-24 budgets would be confirmed in January 2023 and the modelling is for +2.5% in 2024-25 and that DFC can continue to be rolled over and SK confirmed these assumptions were correct at this stage.

22/29 Update from Dan Careless – DSG and HNB management Plan

Dan Careless provided a paper to advise Schools Forum of the DSG and HNB Management plan. Although he was unable to attend the meeting he will attend in January and bring an updated report as the plan is progressing quickly. He offered to do a virtual meeting with Forum members next week if required but this was not deemed necessary by members.

JM had attended a meeting for Headteachers with DC on this issue, which was received positively, and JS is due to attend a SEND Strategic Board meeting on 20th December which will progress matters.

22/30 High Needs Block (HNB) planning 2023-24

SK presented a paper to inform the Schools Forum of the provisional indicative HNB settlement for 2023-24 and the potential spend for next year. She confirmed that the report doesn't include any of the work highlighted in the previous report, which will be updated and included in the report at the next meeting.

Derbyshire's indicative settlement for 2023-24 announced in July shows an overall increase of £5.6m. It is thought Derbyshire's share of the additional funding announced in the Autumn Budget statement is likely to provide a further increase of around £5.1m, making a total estimated increase of £10.7m (10.7%) compared to 2022-23. The 2023-24 HNB allocation for Derbyshire should be confirmed later this month.

Taking a first look at estimated costs and income for 2023-24 indicates an estimated shortfall of around £4.3m. However, there is considerable uncertainty, for example demographic pressures are difficult to predict and pay awards, utility costs and general inflation for 2023-24 are unknown. However, these initial estimates highlight that setting a balanced budget and avoiding an increase to the overall DSG deficit will be challenging. A further report will be presented at the next meeting of Schools Forum in January setting out the final grant settlement and proposed allocations.

Decisions on the HNB are a matter for the local authority rather than the Schools Forum. However, the views of the Schools Forum are welcomed and will be considered when the Authority makes its final decisions in March 2023.

NG noted that an estimated pay award of 5% for Teachers from September 2023 had been included, although for mainstream schools the forecast model uses 3% and SK said she would amend this.

SK highlighted that it will be necessary to secure under spends in other budgets to support the HNB and overall DSG.

22/31 Pupil Growth Fund (PGF) 2023-24

SK presented a paper to seek the Schools Forum approval for plans in principle for use of the Pupil Growth Fund (PGF) for 2023-24, pending final settlement figures due later this month.

The PGF element of the DSG funds in-year pupil growth as well as supporting new free schools and Key Stage 1 class sizes. The distribution of the PGF is a matter for the Schools Forum rather than the County Council.

Derbyshire received £2.509m in 2022-23 and very tentative estimates are between £2.4m and £2.5m for 2023-24.

The following recommendations were approved by the Forum.

R1 – Agreement to fund the cost of the Free Schools in year increases at an estimated cost of £0.250m.
R2 – The basis for supporting maintained and academy schools' Key Stage 1 class costs from April 2023 in the paper were agreed.
R3 – Agreement for a Key Stage 1 budget of £0.450m for 2023-24.
R4 – Approval to an in-year pupil increases budget of £0.300m for 2023-24 and that the existing eligibility arrangements for 2023-24 are retained.
R5 – The forecast funding requirement in respect of Free Schools was noted and agreement was given to contribute £0.500m to the Free Schools Reserve for 2023-24.

Options for using the residual balance of the PGF were discussed.

R6 – The residual pupil growth balance and the potential for it to contribute towards the overall DSG deficit was noted.

R7 – Forum agreed £0.5m of the residual Pupil Growth Fund would be utilised towards closing the Schools Block shortfall, any remaining balance will be held in contingency.

22/32 Central Schools Services Block 2023-24

SK presented paper to seek Schools Forum approval to the 2023-24 Central School Services Block budgets.

No changes, other than inflationary increases are recommended for on-going responsibilities. The historic commitments element relates to the Early Help Offer and although it reduces by 20% each year if we cease contributing to the Early Help Offer, the funding will also cease.

Projections indicate there may be a residual balance of £0.386m which could go to support the overall DSG deficit.

Schools Forum agreed the 2023-24 CSSB allocations proposed by the Authority.

22/33 Exceptional site factors

PB presented the paper to inform Schools Forum of the exceptional site factors disapplication request.

The schools block National Funding Formula (NFF) has an optional factor for exceptional site factors which Local Authorities can apply to use that relate to school premises only, for example rents or joint-use sports facilities, and where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the Local Authority's area.

There are 7 schools that qualify who operate in buildings that are entirely rented from a 3rd party. The current agreement with the DfE is that these schools will contribute the costs equating to the first 1% of their 2022-23

budget with the remainder paid as an Exceptional Circumstances (Rents) formula factor.

Derbyshire's exceptional circumstances (rents) factor was approved in in 2012-13 and so the Authority will need to reapply to the DfE to continue to use this factor.

In order to meet DfE deadlines an application has already been submitted and is being in the process of being considered. In fact, the DfE had contacted the LA on the day of the meeting to ask if Forum had approved the application.

A discussion took place amongst members about whether rents for land could be included as a number of schools in Derbyshire have to pay this, but PB confirmed the DfE regulations only apply to premises. Pre-2013-14, Derbyshire withheld funding and paid rents centrally, however, at this stage DfE regulations changed and said funding could not be retained for this purpose and must be distributed to schools via the funding formula. It was clarified that if a school becomes an academy, the rental arrangements transfer with the school and it becomes the Academy Trust's problem.

PJ asked if a history of land rent and regulations could be provided for the next meeting.

PB said the DfE are scrutinising exceptional site factors and a consultation in the summer suggested that schools could be expected to contribute 2.5% of their budget rather than the existing 1% in the future which would have a considerable impact on the schools involved.

Forum approved Derbyshire's disapplication request to continue to use the exceptional circumstances (rents) factor.

Action point	Responsibility	Timeline
Provide a history of land rents and regulations	SK	January 2023 meeting

PJ encouraged people to attend the Forum in person as that had been the consensus at that meeting and reminded members that they could register items of any other business up to the start of the meeting.

The meeting closed at 5.10pm.

The next meeting will be held at County Hall, Matlock on 30 January 2023 at 5pm.

Summary of action points

Action point	Responsibility	Timeline
Provide a history of land rents and regulations	SK	January 2023 meeting

DERBYSHIRE COUNTY COUNCIL**SCHOOLS FORUM****30th January 2023****Briefing note: update following DSG funding settlement 2023-24**

This note provides an update for Schools Forum on the funding settlement for 2023-24 and the implications for Derbyshire's primary and secondary sector formulae, Pupil Growth Fund (PGF) and Central School Services Block (CSSB) allocations.

Settlement and implications

On 16th December 2022, the DfE published local authorities' Dedicated Schools Grant (DSG) allocations for 2023-24.

Table 1 – Derbyshire DSG Block Allocations 2023-24

Block	2023-24 £m	2022-23 £m	Change £m	Change %
Schools*	553.503	538.817	+14.686	+2.73
Schools - Pupil Growth	2.493	2.509	-0.016	-0.64
High Needs	111.255	100.293	+10.962	+10.93
Early Years	44.910	41.648	+3.262	+7.83
Central School Services	4.412	4.591	-0.179	-3.90
Total DSG	716.573	687.858	+28.715	+4.17

*Comparative rates have been adjusted for the 2022-23 Supplementary Grant

Schools Block

As anticipated, applying the National Funding Formula (NFF) multipliers to the DfE's published school formula data is estimated to cost £557.379m, £3.876m more than the Schools Block total allocation. The shortfall is largely due to increases in deprivation, as measured by the Ever 6 and free school meals indicators. Additional shortfalls arising from increases in low prior attainment and business rate revaluations have led to the gap being greater than the £2.5m originally estimated in the consultation with schools and reports to Schools Forum.

The allocations from Pupil Growth fund: £0.500m contribution plus a further £0.250m to fund in year increases in free schools' pupil numbers, reduce the shortfall to £3.126m. A report will be going to the Local Authority Cabinet on 23rd February to seek approval for local mainstream formula multipliers set out in Appendix 1 as the basis for calculating Derbyshire school and academy budgets. In order to contain the cost of school budgets within the total resources available, those multipliers represent NFF multipliers with a 0.70% pro-rata reduction applied.

The report also recommends Cabinet accept responsibility for costs funded from de-delegated and top-sliced resources for the services approved by Schools Forum. The list of services and proposed de-delegation and top-slice rates for 2023-24 are summarised in Appendix 2.

Mainstream schools have been notified of their provisional allocations, subject to Cabinet and ESFA approval.

Mainstream Schools Additional Grant (MSAG)

The settlement also included a Maintained Schools Additional Grant (MSAG) worth around £19.411m. This grant, which is equivalent to a further 3.6% increase in schools' delegated resources, will provide additional funding for the 5 to 16-year-old age range and will be available to maintained primary and secondary schools, academies and free schools. The grant is outside of the DSG and the National Funding Formula (NFF). The Education and Skills Funding Agency (ESFA) propose publishing institution-level allocations in Spring 2023; however, a tool is available to institutions to estimate their MSAG allocations.

The amounts calculated will be paid by the ESFA to academies directly and to local authorities for onward distribution to maintained schools, Authorities will not be allowed to vary the amounts calculated by the ESFA for maintained schools. The ESFA intend that the grant will be subsumed into the DSG and mainstream NFF for 2024-25.

Pupil Growth Fund (PGF)

Derbyshire's PFG allocation is £2.493m. The plans in principle for PFG were approved by Schools Forum at the December meeting and now the final settlement is known allocations for 2023-24 can be confirmed as:

	2023-24
Budget	£m
In year pupil growth – Free Schools	0.250
Contribution to Schools Block	0.500
Contribution to Free School reserve	0.500
In year pupil growth – Other schools*	0.300
Key Stage 1 class sizes	0.450
Residual contingency*	0.493
Total	2.493

*A call on the in year growth & contingency of £0.138m is already anticipated due to a growing infant school and higher than anticipated Free School in year pupil growth.

Central School Services Block (CSSB)

CSSB allocations were considered and set by Schools Forum at its December meeting. Whilst the settlement figure was known and has not changed the Local Authority has since been notified of a £0.096m, 12%, increase in the cost of performance licences. The impact of this will be to reduce the underspend which would have arisen from the balance of £0.386m which had been set aside to help manage the DSG deficit.

High Needs and **Early Years** Blocks are covered in later agenda items.

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Analysis of mainstream formula budgets 2023-24 by indicator

Appendix 1

Indicator	Primary			Secondary		
	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Count	Multiplier	Budget	Count	Multiplier	Budget
		£	£		£	£
Per Pupil – Key Stage 1 & 2	57,959.75	3,370.12	195,331,312	-	-	-
Per Pupil – Key Stage 3	-	-	-	25,081.00	4,751.33	119,168,107
Per Pupil – Key Stage 4	-	-	-	16,009.00	5,355.05	85,728,995
Current FSM	16,361.99	476.62	7,798,450	10,278.00	476.62	4,898,700
Ever 6FSM	16,881.37	700.04	11,817,630	11,293.00	1,022.75	11,549,915
IDACI F	4,925.51	228.38	1,124,887	3,466.52	332.64	1,153,102
IDACI E	6,829.69	278.03	1,898,857	4,593.82	441.87	2,029,869
IDACI D	2,642.50	436.90	1,154,507	1,783.13	615.64	1,097,767
IDACI C	3,082.94	476.62	1,469,390	2,187.81	675.22	1,477,251
IDACI B	3,024.74	506.41	1,531,757	2,049.74	724.86	1,485,776
IDACI A	761.76	665.29	506,793	537.26	923.46	496,141
Low Prior Attainment	17,027.70	1,146.87	19,528,563	9,306.25	1,737.69	16,171,381
English as an Additional Language	1,430.76	575.92	824,004	299.24	1,553.99	465,020
Mobility	200.95	938.35	188,558	0.00	1,350.43	
Lump Sum	354.00	127,099.39	44,993,184	45.00	127,099.39	5,719,472
Sparsity	48.25	55,903.88	2,697,628	0.25	81,323.75	20,330
Split site: <500m	4.00	2,909.84	11,639			
Split site: >500m	2.00	46,170.31	92,340	1.00	143,332.85	143,332
Private Finance Initiative	-	-	-			2,934,339
Rates			3,897,343			2,632,078
Exceptional Circumstances			42,489			89,599
Minimum Per Pupil Level			1,404,605			602,458
Minimum Funding Guarantee ^{see note 2}			202,648			11,084
Total Formula Budgets			296,516,594			257,874,726
TOTAL BOTH SECTORS						554,391,320

Note 1 – The multipliers are below the national rates in Appendix 2 as they have been reduced in line with the LA’s consultation to pare back multipliers in order to make the formula affordable with the overall schools block allocation, taking into account the £0.750m from the growth fund.

Note 2 – the Minimum Funding Guarantee has been set at 0.5% per pupil in accordance with the LA’s consultation.

List of proposed de-delegated and top-sliced funded services 2023-24

Appendix 2

			2023-24 Proposed		2022-23	
<u>Item</u>	<u>Purpose</u>	<u>Basis</u>	<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>
School Contingency Fund	e.g. schools in financial difficulty, exceptional unforeseen costs, unreasonable for a GB to meet	Per pupil	6.00	6.00	6.00	6.00
Insurance	Includes premises, cash in transit, public liability and employers' liability	Per pupil	22.75	22.75	22.25	22.25
Staff Costs: Maternity	Cover costs for staff on maternity, paternity or adoption leave	Per pupil	15.60	N/A	15.00	N/A
Staff Costs: Public Duties	Cover costs for staff on jury service.	Per pupil	0.21	N/A	0.20	N/A
Staff Costs: Trade Unions	Cover costs for staff undertaking union duties	Per pupil	4.28	4.28	4.12	4.12
School Improvement	Services include Leadership forums, single named contact for advice, guidance, signposting & support, e-noticeboard, reduced rate attendance at courses and conferences plus core package of 3 days of school improvement activity plus governor support package	Lump sum	2,950.00	2,950.00	2,850.00	2,850.00
	Replacement for school improvement monitoring grant	Lump sum	0.00	0.00	1,800.00	1,800.00
Redundancy (top-sliced)	Cost of release where agreed by LA as necessary	Per pupil	4.00	4.00	4.00	4.00
Former ESG (top-sliced)	Funds a range of HR, Finance, pensions, ICT and asset management functions	Per pupil	29.00	29.00	27.11	27.11

SCHOOLS FORUM**30th January 2023****Joint Report of the Executive Director for Children's Services
and the Interim Director of Finance & ICT****Dedicated Schools Grant Monitoring 2022-23 – Quarter 3****1. Purpose of the Report**

To provide the Schools Forum with an update of the Revenue Budget position of the Dedicated Schools Grant for 2022-23 up to the end of December 2022 (Quarter 3).

2. Information and Analysis**2.1. Forecast Summary**

The estimates in this report are based on the best available information as at December 2022.

2.1.1 Opening position

The net total DSG deficit brought forward from 2021-22 was £5.05m, which represents an accumulated overspend against the allocated grant of £8.177m, partially offset by other earmarked DSG reserve funds, as shown below.

Reserve	Balance at 31st March 2022
	£m
Uncommitted DSG	(8.177)
Support for pupils in schools	0.056
New Schools pre & post opening grants	2.924
Early Years contingency	0.146
Total deficit	(5.050)

At its meeting in October 2021, the Schools Forum agreed a one-off 0.5% transfer from the Schools block to the High Needs block in 2022-23, with the aim of reducing the net deficit.

2.1.2 In-year position

The expected Dedicated Schools Grant (DSG) and 6th form grant income due to the Authority in 2022-23 total £390.767m. The Revenue Budget Monitoring Statement prepared at quarter 2 shows projected year-end expenditure of £392.236m. Both of these figures exclude monies recouped from the LA's gross DSG by the Education and Skills Funding Agency (ESFA), funds which are subsequently paid directly by the ESFA to academies.

The expected 2022-23 DSG net outturn position is a £1.469m overspend.

The significant areas of expenditure and income are shown below:

DSG Block	Approved* Budget	Projected* Expenditure	F'cast Over/ (Under) Spend
	£m	£m	£m
Central School Services Block	4.591	4.014	(0.577)
Pupil Growth Funding	1.288	1.059	(0.229)
Re-pooled school funding	4.921	4.921	-
Early Years Block	42.566	42.545	(0.021)
High Needs Block (excl. transfer from Schools block)	99.959	104.882	4.923
0.5% transfer from SB to HNB	2.627	-	(2.627)
Schools Block	516.525	516.525	-
Total Expenditure	672.477	673.947	1.469
Dedicated Schools Grant	(672.477)	(672.477)	0.000
(Surplus)/Deficit	0.000	1.469	1.469

*Figures are shown before recoupment of academy funds by the ESFA.

2.2. Key Variances

- 2.2.1. **Central School Services Block (£0.577m u/s)** - The Forum agreed to leave £0.581m unallocated and thus available to help support the Authority's deficit recovery plans.
- 2.2.2. **Pupil Growth Fund (£0.229m u/s)**. The Forum agreed to leave £0.138m unallocated. The balance is primarily due to allocations to support schools to meet KS1 pupil/teacher ratios which is currently projected to be below the allocated budget.
- 2.2.3. **High Needs Block (£4.923m o/s)** - expenditure to support children with additional needs is expected to exceed the allocated grant for 2022-23.

84% of High Needs funding is allocated for places, element 3 top ups and GRIP. Support for children and young people has been increasing above the initial estimates prepared for budget setting across all areas. The total expected overspend on all top-ups is £3.685m and is made up as follows:

Element 3 top up payments and GRIP in respect of mainstream primary school children are now expected to be £2.468m above the approved budget, an increase of £1.274m compared to the quarter 2 forecast. This increase reflects the impact of clearing the backlog in GRIP requests and also further increases in EHCPs.

Element 3 top up payments and GRIP in respect of mainstream secondary school children are now forecast to be £0.696m above the approved budget.

Element 3 top up payments in respect of children receiving their education in special schools are forecast to exceed the approved budget by £1.931m, an increase of £1.501m on the forecast overspend at quarter 2. A rise in the number of children in independent and non-maintained special schools accounts for £0.964m of the increase in overspend.

Element 3 top up payments in respect of Post 16 provision are forecast to be £0.073m above the approved budget.

Top up payments in respect of Pupils attending support centres are forecast to exceed the approved budget by £0.092m.

The individual overspends listed above are partially offset by an unallocated contingency budget within the High Needs Block of £1.793m, this sum was set aside to cover demographic pressures this year.

16% of High Needs funding is allocated for centrally provided or commissioned services. These are forecast to overspend by £1.316m. This is due to higher expected pay awards than anticipated in initial estimates prepared for budget setting, and delays in planned changes to services which were forecast to deliver cost reductions.

A further breakdown is provided in Appendix 1.

2.2.4 Schools Block transfer to High Needs (£2.627m u/s) - One-off 0.5% transfer from Schools block to High Needs block to contribute towards reducing the DSG deficit.

2.3. Risks

There is a risk that the following issues could negatively impact on the forecast outturn position reported in the Forecast Summary above:

Service Area	Risk	Sensitivity* £m	Likelihood 1=Low 5=High
High needs block placements and Element 3 top-ups	Increased number of children requiring placements or support	£0.200m - £1.500m	3

*This represents the potential negative impact on the outturn position should the event occur.

2.4 Impact

Based on the Quarter 3 monitoring, the overall DSG balances at 31st March 2023 would be as follows:

Reserve	Estimated Balance at 31st March 2023
	£m
Uncommitted DSG	(9.646)
Support for pupils in schools	0.056
New Schools pre & post opening grants	2.924
Early Years contingency	0.146
Total deficit	(6,520)

The above deficit balance would increase to £8.050m if the risks in 2.3 were to materialise.

The DfE have included provisions in the School and Early Years Finance (England) Regulations 2021 that a DSG deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the LA not to do this.

3 Background Papers

Held on file within Commissioning, Communities and Policy Department. Officer contact details – Shelley Kerslake, shelly.kerslake@derbyshire.gov.uk.

4 Officers' Recommendations

That the Schools Forum note:

- (i) the report and the forecast overspend for 2022-23; and
- (ii) the projected increase in the DSG deficit.

Carol Cammiss
Executive Director
for Children's Services

Paul Stone
Interim Director of
Finance & ICT

Report Author: Shelley Kerslake

Contact Details: X38731

DSG budget monitoring summary – qtr 3		Projected Outturn 2022/23		
		2022-23 Budget	Projected Net Spend	Projected Year End Variance - (under) /over spend
Central block				
	Central - Retained Duties	1.751	1.751	0.000
	Central - Schools Forum	0.041	0.041	0.000
	Central - Licence costs	0.664	0.664	(0.000)
	Pension costs for centrally employed teachers	0.130	0.130	0.000
	Central - Admissions & Appeals	0.535	0.535	0.000
	Central - Unallocated committed to DSG recovery	0.581	0.000	(0.581)
	Central - Other	0.000	0.004	0.004
		4.591	4.014	(0.577)
Early Years block				
	EY - 2 year olds	4.032	4.032	0.000
	EY - 3 & 4 year olds - PVI Settings	23.993	23.993	(0.000)
	EY - 3 & 4 year olds - Schools & Academies	12.383	12.383	0.000
	EY - Nursery Schools - Start of Year budgets	0.811	0.811	(0.000)
	EY - EY Improvement Service	1.277	1.257	(0.020)
	EY - Preschool EP service	0.058	0.057	(0.001)
	EY- Central spend on Nurseries	0.013	0.013	0.000
		42.566	42.545	(0.021)
High Needs block				
Places / School budgets				
	HNB - Special Places	3.890	3.890	0.000
	HNB - ERS Places	0.668	0.668	0.000
	HNB - P16 SEN in maintained schools	0.140	0.140	0.000
	HNB - Spire lodge SLA	0.221	0.221	0.000
	HNB - EY Schools	0.133	0.133	0.000
	HNB - Recoupment	11.505	11.505	0.000
		16.203	16.203	0.000
Top-ups				
	HNB - Nursery Top-ups	0.658	0.657	(0.000)
	HNB - Primary Top-ups	13.245	15.713	2.468
	HNB - Secondary Top-ups	8.428	9.343	0.915
	HNB - Special Top-ups - Derbyshire Schools & Academies	16.135	16.831	0.697
	HNB - Special Top-ups - Other LAs	2.050	2.047	(0.003)
	HNB - Independent/NM schools	15.252	16.260	1.008
	HNB - SEND alternative provision	0.769	0.775	0.006
	Contribution to joint funded support placements for children in care/ children with complex needs	2.686	2.908	0.222
	HNB - Post 16 Top-ups	4.004	4.077	0.073
	HNB - PRU Top-ups	2.108	2.200	0.092
	Contingency - demographics	1.793	0.000	(1.793)
		67.127	70.813	3.685

DSG budget monitoring summary – qtr 3		Projected Outturn 2022/23		
		2022-23 Budget	Projected Net Spend	Projected Year End Variance - (under) /over spend
Services and Other				
	HNB - Access & Inclusion	0.115	0.104	(0.011)
	HNB - Access & Inclusion - Project	0.314	0.314	0.000
	HNB - Behaviour Services	2.000	2.032	0.032
	HNB - Behaviour Support - TAPS	0.324	0.324	0.000
	Children Missing Education:	0.000	0.000	0.000
	HNB - Unallocated efficiencies target	(0.450)	0.000	0.450
	HNB - Inclusion Pathways	0.887	0.898	0.011
	HNB - Inclusion Pathways - OOST	1.250	1.375	0.125
	HNB - Inclusion Pathways - TMP	0.827	1.209	0.383
	HNB - Inclusion Pathways - Virtual classroom	0.210	0.216	0.006
	HNB - Inclusion Pathways - Hasland	0.016	0.016	0.000
	HNB - Hospital Tuition	0.110	0.114	0.004
	HNB - Primary Exclusions	(0.071)	(0.068)	0.003
	HNB - Secondary Exclusions	(0.365)	(0.364)	0.001
	HNB - PRU to Provision Transport	0.100	0.217	0.117
	HNB - Virtual School	1.040	1.017	(0.023)
	HNB - Ed Psychologists	0.400	0.400	0.000
	HNB - Specialist SEN Services	2.361	2.411	0.050
	HNB - SSEN	5.034	5.036	0.002
	HNB - Other	1.595	1.813	0.218
	HNB - Contingency	0.500	0.450	(0.050)
		16.197	17.513	1.316
	Total HNB before SB transfer	99.959	104.882	4.924
	0.5% HNB Transfer from SB	2.627	0.000	(2.627)
Schools Block				
	School DFC	0.000	0.000	0.000
	School ISB	236.641	236.641	0.000
	School ISB recoupment	275.504	275.504	0.000
	De-del & Top Slice	4.921	4.921	0.000
	School Rates	4.380	4.380	0.000
	Schools' General Capital reserve	0.000	0.000	0.000
	Pupil Growth	0.650	0.559	(0.091)
	Free School Reserve	0.500	0.500	0.000
	Unallocated Pupil growth	0.138	0.000	(0.138)
		522.734	522.505	(0.229)
	Schools funded by post 16 grant	5.377	5.377	0.000
	Grant Income	(677.870)	(677.870)	0.000
	Less Academy Recoupment	0.016	0.016	0.000
	Grant Income net of Recoupment	(677.854)	(677.854)	0.000
	Total	0.000	1.469	1.469

DERBYSHIRE COUNTY COUNCIL**SCHOOLS FORUM****30th January 2023****Joint Report of the Executive Director for Children's Services
and Executive Director of Corporate Services and Transformation****High Needs Block Budgets 2023-24****1. Purpose of the Report**

To report the High Needs Block settlement for 2023-24 and seek the views of the Schools Forum on its allocation.

2. Information and Analysis

The High Needs Block settlement for 2023-24 was published on 16th December 2022, summary details are set out in Appendix 1. Derbyshire's allocation is set to increase by £11.255m next year, equivalent to 11.4% of the 2022-23 figure. The announcement was better than the indicative sum signalled back in July 2022, with LAs' allocations being increased by an additional £400m, Derbyshire's share of the additional funding being £4.727m. The DfE have stated that "*this extra funding recognises the additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original high needs block allocations were calculated*".

Whilst the increase in funding is welcomed, there are several points to consider.

- **Current levels of spending**
The latest provisional monitoring, based on expenditure to the end of December 2022, shows a forecast HNB overspend for 2022-23 of £1.469m. This overspend would have been significantly higher had it not been for the £2.627m contribution from the Schools Block agreed by Forum for this year. Further information is reported within the earlier agenda item on the quarter 3 budget monitoring forecast.
- **Continued growth**
The number of EHCPs as at 31st December 2022 was 5069, an increase of 469, 10%, from the start of the financial year. The full year financial impact on spend of that increase will not be realised until the next financial year. In addition, further growth in the number of children supported via an EHCP is expected during 2023.
- **Existing DSG deficit position**
The accumulated DSG deficit as at the beginning of the current financial year was £5.050m and based on quarter 3 projected spend the deficit is expected to increase. At a recent webinar on High Needs Sustainability, representatives of the DfE made it clear that the DSG override, the legislation which keeps DSG balances separate from Council reserves, will end on 31st March 2026 and will not be extended. Local authorities must take steps to

ensure spending is kept within the grant available and that plans are in place to recover existing DSG deficits.

- Expectations of future funding settlements
The DfE have previously signalled that future increases in high needs funding will be much lower than received for 2022-23 and 2023-24. As a result, future year increases are unlikely to have sufficient headroom to meet continued growth in demand or make a significant contribution to our accumulated DSG deficit. It is therefore essential that the allocations for next year are affordable and provide sufficient scope to contain demographic pressures within the grant.

This report looks at the proposed allocation of high needs resources for 2023-24 and seeks the views of the Forum on the issues raised.

2.1 Places

Following the annual commissioning process, the Authority has now agreed the number of places required in special schools, ER schools, PRUs and FE Colleges etc. for 2023-24. The planned cost is £16.706m which is a £0.827m (5.2%) increase on the 2022-23 base (£15.878m). An analysis of the current and provisional places for 2023-24 is provided at Appendix 2. The main increase is in respect of special schools and academies.

2.2 Top ups

The proposed top up budgets and the comparison with previous years is summarised in Table 1 below and in Appendix 3.

Table 1 – Proposed top up budgets 2023-24 & previous years’ actual/forecasts

Top ups and GRIP	Actual	Actual	Actual	Budget	F’cast	Proposed
	2019-20	2020-21	2021-22	2022-23	2022-23	2023-24
Sector	£m	£m	£m	£m	£m	£m
Early Years	0.531	0.590	0.748	0.658	0.657	0.657
Primary	9.706	11.442	13.406	13.408	15.713	16.750
Secondary	6.506	7.591	8.256	8.591	9.343	10.380
Special	12.350	13.863	15.488	16.135	16.831	18.373
Special - Other LAs	1.567	1.825	3.073	2.050	2.047	2.300
Independent/Non maintained	6.797	9.473	12.893	16.021	17.036	19.033
Section 75 pooled budget	2.367	2.335	2.052	2.026	1.878	2.026
Post 16	3.000	3.670	3.751	4.004	4.432	4.491
Pupil Referral Units	1.991	2.224	1.758	2.108	2.200	2.748
Contingency	0.000	0.000	0.000	1.793	0.000	0.000
TOTAL	44.815	53.013	61.425	66.792	70.137	76.750

The figures in Table 1 reflect the full year impact of the current year’s increases in top ups together with the anticipated further increases during 2023-24, including the impact of the additional special school places commissioned.

As well as reflecting changes in the number of children expected to need support, the totals also assume an increase in the Element 3 pupil profiles for special

schools and academies, Pupil Referral Units (PRUs) and Enhanced Resources Schools (ERS).

The High Needs additional grant requires a minimum 3.4% increase to funding for special schools and support centres. Derbyshire will allocate this as a separate amount, distinct from monthly top up payments. It is estimated that this will cost £1.161m; the final 2022-23 top ups and commissioned places will determine the amount.

This additional grant allocation for special schools and support centres is still significantly less than the average increase for mainstream schools, which is why the proposal to be considered by Council’s Cabinet in March will also include consideration for an uplift to Element 3 pupil profiles for special schools and support centres by a further 2.3%, which is in line with increase to basic entitlement for mainstream schools.

ERS provision is not included in the additional grant requirement, however, the Authority’s draft proposed allocations assumes that the same approach will be taken, i.e. as an additional single payment, and element 3 uplift applied as for special schools and support centres.

At this stage the budget for top ups in mainstream schools resulting from EHCPs and GRIPs assumes no increase in rates as the costs of meeting increased demand fully utilise the funding available.

Finally, no contingency would be available to meet overspends against individual budget lines.

3. **Services**

Services’ budgets are included at Appendix 3 and the 2022-23. No uplift for inflation has been applied.

It is worth noting that the other adjustment to proposed spend is the balance of reduction of £0.818m applied to 2022-23 budgets which proved to be unachievable. The shortfall has not been able to be absorbed through other means. Achievement of this reduction relied on further analysis being undertaken to determine whether any places supported by the LA’s HNB funded services are dual funded but alternative plans are now being pursued.

4. **Summary**

The implications of the assumptions in sections 2 and 3 are summarised in Table 2 below. The allocations would fully utilise the 2023-24 High Need Block grant and additional grant.

Table 1 – Summary of Proposed High Needs allocations 2023-24

Budget head	2022-23 base budget	Places	Inflation	Demographic pressure	2023-24 provisional base
	£m	£m	£m	£m	£000s

Budget head	2022-23 base budget	Places	Inflation	Demographic pressure	2023-24 provisional base
Places	15.878	0.828	0	0	16.706
Top ups/ GRIP	66.792	0	2.687	7.271	76.750
Services/other	17.211	0	0	0.588	17.799
Total	99,881	0.828	2.687	7.859	111,255

Final allocations are a matter for the Council to determine and will be considered at its Cabinet meeting in March 2023.

The views of the Forum on the proposals are welcomed.

5. **De-delegation of funding**

Approval was given at the December Forum meeting to top-slice funds from special schools' budgets for 2023-24 for former ESG-funded services and redundancy costs.

6. **Other Considerations** In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, finance, human resources, legal & human rights, environmental, health, property and transport considerations.

7. **Background Papers** Held in Corporate Services and Transformation.

8. **Officers' Recommendations.**

That the Schools Forum notes the settlement and gives its views on the proposals and provisional base budgets for 2023-24.

Carol Cammiss
Executive Director for
Children's Services

Paul Stone
Interim Director of
Finance & ICT

High Needs Block Settlement 2023-24

Appendix 1

	2023-24			2022-23		
	Count	Multiplier	Total	Count	Multiplier	Total
	£	£	£m	£	£	£m
Population aged 2-18	149,716	236.89	35.466	149,240	203.48	30.367
Health/Dis. - Children bad health	670	6,412.48	4.296	670	5,487.59	3.677
Health/Dis. - Children DLA	6,933	822.44	5.702	6,335	756.166	4.790
Deprivation - Current free meals	28,927	272.24	7.875	25,984	254.582	6.615
Deprivation - IDACI Band F	11,863	71.10	0.843	11,800	61.406	0.725
Deprivation - IDACI Band E	16,399	93.96	1.541	16,202	81.057	1.313
Deprivation - IDACI Band D	6,036	128.82	0.778	5,943	110.854	0.659
Deprivation - IDACI Band C	7,400	136.49	1.010	7,422	117.629	0.873
Deprivation - IDACI Band B	6,950	151.63	1.054	6,988	130.748	0.914
Deprivation - IDACI Band A	1,685	199.70	0.336	1,683	172.555	0.290
Low Attainment @ KS2	1,220	4,615.78	5.631	1,260	3,896.15	4.909
Low Attainment @ KS4	1,551	3,167.64	4.913	1,556	2,755.36	4.287
Historic spend			33.499			33.499
Funding floor			0.00			0.163
Sub total			102.945			93.082
Memo item: Funding per pop'n aged 2-18 (£)			£687.60			£623.70
Hospital Education			0.297			0.294
Basic entitlement	1,367	4,660.00	6.370	1,246	4,660.00	5.806
Special Free School			0.006			
Import/export adjustment	-515	6,000.00	-3.090	-454.5	6,000.00	-2.727
Sub total			106.528			96.455
Additional allocation			4.727			3.839
High Needs Block total			111.255			100.294
Increase (£m)						
Increase (%)						

High Needs Places 2023-24

Appendix 2

DfE	School	Places 2023-24		2023-24	Places 2022-23		2022-23	Budget		Change
		April	Sept	FTE	April	Sept	FTE	2023-24	2022-23	
Enhanced Resource Schools (ERS)								£	£	£
2025	Springfield Junior School	14.00	14.00	14.00	11.00	14.00	12.75	84,000	76,500	7,500
2026	New Whittington Primary School	8.00	7.00	7.42	10.00	8.00	8.83	44,500	53,000	-8,500
2036	Dunston Primary and Nursery Academy	6.00	6.00	6.00	6.00	6.00	6.00	36,000	36,000	0
2037	Langley Mill Academy	9.00	9.00	9.00	8.00	9.00	8.58	54,000	51,500	2,500
2116	Aldercar Infant School	3.00	3.00	3.00	4.00	3.00	3.42	18,000	20,500	-2,500
2356	Elmsleigh Infant & Nursery School	16.00	16.00	16.00	16.00	16.00	16.00	96,000	96,000	0
4004	Outwood Academy Newbold	16.00	16.00	16.00	17.00	16.00	16.42	96,000	98,500	-2,500
4015	William Allitt School	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
4052	The Long Eaton School	11.00	11.00	11.00	11.00	11.00	11.00	66,000	66,000	0
4089b	Aldercar High School(HI)	6.00	5.00	5.42	8.00	6.00	6.83	32,500	41,000	-8,500
4089d	Aldercar High School(Phys)	0.00	0.00	0.00	1.00	0.00	0.42	0	2,500	-2,500
5410a	The Pingle Academy(Area)	33.00	35.00	34.17	29.00	33.00	31.33	205,000	188,000	17,000
5410c	The Pingle Academy(Autism)	15.00	15.00	15.00	15.00	15.00	15.00	90,000	90,000	0
4013	Hope Valley College(Post 16)	18.00	18.00	18.00	18.00	18.00	18.00	108,000	108,000	0
2011	Brampton Primary School	14.00	14.00	14.00	14.00	14.00	14.00	84,000	84,000	0
2013	Chapel-en-le-Frith CofE VC Prim. School	19.00	20.00	19.58	19.00	19.00	19.00	117,500	114,000	3,500
2190	Pilsley Primary School	10.00	10.00	10.00	10.00	10.00	10.00	60,000	60,000	0
2268	Whaley Bridge Primary School	8.00	8.00	8.00	8.00	8.00	8.00	48,000	48,000	0
2333	Ashbourne Hilltop Prim & Nursery School	3.00	2.00	2.42	4.00	3.00	3.42	14,500	20,500	-6,000
4019	Chapel-en-le-Frith High School	35.00	38.00	36.75	34.00	35.00	34.58	220,500	207,500	13,000
4173	Tibshelf Community School	15.00	15.00	15.00	15.00	15.00	15.00	90,000	90,000	0
	Sub total – ERS	259.00	262.00	260.75	258.00	259.00	258.58	1,564,500	1,551,500	13,000

		Places 2023-24		2023-24	Places 2022-23		2022-23	Budget		
		April	Sept	FTE	April	Sept	FTE	2023-24	2022-23	Change
Special Schools								£	£	£
7001	Holbrook School for Autism	132.00	132.00	132.00	128.00	132.00	130.33	1,320,000	1,303,333	16,667
7006	Ashgate Croft School	142.00	148.00	145.50	142.00	142.00	142.00	1,455,000	1,420,000	35,000
7012	Stubbin Wood School	180.00	185.00	182.92	165.00	180.00	173.75	1,829,167	1,737,500	91,667
7014	Bennerley Fields School	91.00	95.00	93.33	91.00	91.00	91.00	933,333	910,000	23,333
7017	Peak School	73.00	78.00	75.92	65.00	73.00	69.67	759,167	696,667	62,500
7019	Stanton Vale School	85.00	95.00	90.83	90.00	85.00	87.08	908,333	870,833	37,500
7000	Holly House Special School	43.00	43.00	43.00	43.00	43.00	43.00	430,000	430,000	0
7005	Brackenfield Special School	134.00	155.00	146.25	112.00	134.00	124.83	1,462,500	1,248,333	214,167
7009	Swanwick School & Sports College	85.00	92.00	89.08	85.00	85.00	85.00	890,833	850,000	40,833
7018	Alfreton Park Comm. Special School	115.00	125.00	120.83	90.00	115.00	104.58	1,208,333	1,045,833	162,500
Sub total - Special Schools		1,080.00	1,148.00	1,119.67	1011.00	1,080.00	1051.25	11,196,667	10,512,500	684,167
Support Centres										
1106	South Derbyshire Support Centre	26.00	26.00	26.00	26.00	26.00	26.00	260,000	260,000	0
1102	A Valley & Erewash Support Centre	135.00	130.00	132.08	150.00	135.00	141.25	1,320,833	1,412,500	-91,667
1111	North East Derbys Support Centre	100.00	135.00	120.42	100.00	100.00	100.00	1,204,167	1,000,000	204,167
Sub total Support Centres		261.00	291.00	278.50	276.00	261.00	267.25	2,785,000	2,672,500	112,500

		Places 2023-24		2023-24	Places 2022-23		2022-23	Budget		
		April	August	FTE	April	August	FTE	2023-24	2022-23	Change
FE Colleges								£	£	£
	Chesterfield College	67.00	77.00	73.67	67.00	67.00	67.00	442,000	402,000	40,000
	University of Derby	73.00	73.00	73.00	61.00	73.00	69.00	438,000	438,000	0
Sub total - FE Colleges		140.00	150.00	146.67	140.00	140.00	140.00	880,000	840,000	40,000

		Places 2023-24		2023-24	Places 2022-23		2022-23	Budget		
		April	August	FTE	April	August	FTE	2023-24	2022-23	Change
	Post 16							£	£	£
4000	Swanwick Hall School	1.00	0.00	0.33	1.00	1.00	1.00	2,000	6,000	-4,000
4004	Outwood Academy Newbold	1.00	1.00	1.00	1.00	1.00	1.00	6,000	6,000	0
4006	David Nieper Academy	1.00	1.00	1.00	0.00	1.00	0.67	6,000	4,000	2,000
4009	John Port Spencer Academy	2.00	0.00	0.67	2.00	2.00	2.00	4,000	12,000	-8,000
4012	Glossopdale School	1.00	2.00	1.67	1.00	1.00	1.00	10,000	6,000	-4,000
4052	The Long Eaton School	1.00	1.00	1.00	1.00	1.00	1.00	6,000	6,000	0
4174	Highfields	1.00	0.00	0.33	1.00	1.00	1.00	2,000	6,000	-4,000
4196	Brookfield Community School	2.00	2.00	2.00	1.00	2.00	1.67	12,000	10,000	2,000
4500	Queen Elizabeth's Grammar	2.00	0.00	0.67	3.00	2.00	2.33	4,000	14,000	-10,000
5400	Netherthorpe School	3.00	1.00	1.67	3.00	3.00	3.00	10,000	18,000	-8,000
5401	The Ecclesbourne School	3.00	2.00	2.33	4.00	3.00	3.33	14,000	20,000	-6,000
5408	Heanor Gate Sci College	1.00	0.00	0.33	2.00	1.00	1.33	2,000	8,000	-6,000
5409	Friesland School	1.00	0.00	0.33	1.00	1.00	1.00	2,000	6,000	4,000
5410	The Pingle Academy	1.00	3.00	2.33	1.00	1.00	1.00	14,000	6,000	8,000
5413	St Mary's Catholic Academy	5.00	4.00	4.33	4.00	5.00	4.67	26,000	28,000	2,000
5416	The Ripley Academy	1.00	2.00	1.67	1.00	1.00	1.00	10,000	6,000	-4,000
4089	Aldercar High School	20.00	16.00	17.33	9.00	20.00	16.33	104,000	98,000	6,000
4505	Anthony Gell School	3.00	2.00	2.33	2.00	3.00	2.67	14,000	16,000	-2,000
4509	Dronfield Henry Fanshawe	1.00	1.00	1.00	1.00	1.00	1.00	6,000	6,000	0
4510	Buxton Community School	1.00	0.00	0.33	0.00	1.00	0.67	2,000	4,000	-2,000
5404	Belper School & 6th Form	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
5411	Lady Manners School	2.00	2.00	2.00	4.00	2.00	2.67	12,000	16,000	-4,000
	Sub total - Post 16	54.00	43.00	46.67	41.00	43.00	50.33	280,000	302,000	-22,000
	TOTAL PLACES	1,794	1,894	1,851	1,728	1,794	1,767	16,706,167	15,878,500	827,667

	Base (2022-23 budget)	Place increase/ (decreases)	HNB AG required allocation	Demographic pressure	Inflation	Other planned adjustments	Draft allocation 2023-24
	£m	£m	£m	£m	£m	£m	£m
Places / School budgets	15.878	0.828	-	-	-	-	16.706
SLAs	0.354	-	-	-	-	-	0.354
Top-ups							
HNB - Nursery Top-ups	0.658			-	-		0.657
HNB - Primary Top-ups - Derbyshire	6.614			2.702	-		9.316
HNB - Primary Top-ups - Derbyshire ERS	1.175			0.171	0.095		1.441
HNB - Primary Top-ups - OLA	0.235			0.353	0.018		0.606
HNB - Secondary Top-ups - Derbyshire	6.017			1.256	-		7.273
HNB - Secondary Top-ups - Derbyshire ERS	1.202			0.126	0.094		1.422
HNB - Secondary Top-ups - OLA	0.408			0.288	0.021		0.717
Top-ups - Derbyshire special Schools & Acads	16.135		0.991	0.856	0.391		18.373
HNB - Special Top-ups - Other LAs	2.050			0.175	0.076		2.300
Special Top-ups - Independent/NM schools	16.021			2.386	0.626		19.033
Complex cases	2.026			-	-		2.026
HNB - Post 16 Top-ups	4.004			0.339	0.148		4.491
HNB - PRU Top-ups	2.108		0.169	0.413	0.058		2.748
HNB - contingency for growth in top ups	1.793			-	1.793		-
	60.445	-	1.161	7.271	1.527	-	70.403
Other provision							
Contribution to CiC placements with education	0.660			0.370	-		1.030
GRIP/ TAPS replacement	-			-	-	6.671	6.671
GRIP Primary	5.384			-	-	-	5.384
GRIP Secondary	0.963			-	-	-	0.963

	Base (2022-23 budget)	Place increase/ (decreases)	HNB AG required allocation	Demographic pressure	Inflation	Other planned adjustments	Draft allocation 2023-24
	£m	£m	£m	£m	£m	£m	£m
Places / School budgets	15.878	0.828	-	-	-	-	16.706
Behaviour Support - TAPS	0.324			-	-	- 0.324	-
Education Direct Pay	0.225			0.218	-		0.443
HNB - Hospital Tution	0.110			-	-		0.110
HNB - PRU to Provision Transport	0.100			-	-		0.100
	7.766	-	-	0.588	-	-	8.354
Central Services							
HNB - Access & Inclusion - Access blw £10k	0.040			-	-	- 0.010	0.030
HNB - Access & Inclusion - Proact SCIP	0.075			-	-		0.075
HNB - Access & Inclusion - Project	0.314			-	-	- 0.314	-
HNB - Behaviour Services	2.000			-	-		2.000
HNB - Unallocated efficiencies target	- 0.450			-	-	0.450	-
HNB - Inclusion Pathways	0.887			-	-		0.887
HNB - Inclusion Pathways - OOST	1.250			-	-		1.250
HNB - Inclusion Pathways - TMP	0.827			-	-		0.827
HNB - Inclusion Pathways - Virtual classroom	0.210			-	-		0.210
HNB - Inclusion Pathways - Hasland	0.016			-	-		0.016
HNB - Primary Exclusions	- 0.071			-	-		- 0.071
HNB - Secondary Exclusions	- 0.365			-	-		- 0.365
HNB - Virtual School	1.040			-	-	0.122	1.162
HNB - Ed Psychologists	0.400			-	-		0.400
HNB - Specialist SEN Services	2.361			-	-		2.361
HNB - SSEN	5.034			-	-		5.034
HNB cont EY SEN	0.748			-	-		0.748
Inclusion	0.519			-	-	- 0.118	0.401
SEND Transprt Contbn	0.080			-	-	- 0.080	-

	Base (2022-23 budget)	Place increase/ (decreases)	HNB AG required allocation	Demographic pressure	Inflation	Other planned adjustments	Draft allocation 2023-24
	£m	£m	£m	£m	£m	£m	£m
Places / School budgets	15.878	0.828	-	-	-	-	16.706
HNB - Contingency	0.500			-	-	- 0.050	0.450
Gn Dt Spec Top Slice	0.018			-	-		0.018
Spec Redncy topslice	0.005			-	-		0.005
	15.438	-	-	-	-	0.000	15.439
TOTAL HNB	99.881	0.828	1.161	7.859	1.527	0.000	111.255

DERBYSHIRE COUNTY COUNCIL

SCHOOLS FORUM

30th JANUARY 2023

**Joint Report of the Executive Director for Children's Services and Interim
Director of Finance and ICT**

Early Years Block Funding Settlement 2023-24

1. Purpose

- 1.1 To update the Schools Forum on the Early Years Block announcements for 2023-24 and to seek approval to central early years budgets for next year.

2. Information and Analysis

2.1 Settlement – Key Points

The early years funding rates for 2023-24, and implied funding totals, were published by the Department for Education on 16th December 2022. The allocations are summarised in Table 1 below and further background details of each element are provided in Appendix 2.

Table 1 – Early Years Indicative Settlement 2023-24

Item	2023-24	2022-23	
Early Years Block:			
No. 3 & 4 year olds - universal prov'n (part time equiv, PTE)	9,399.71	9,465.53	
Universal entitlement - 3 & 4 year old hourly rate	£4.80	£4.61	
Sub total universal hours 3&4 yr old funding (£m)	25.718	24.873	
Universal entitlement - 3 & 4 year old TPPG	0.375		
No. 3 & 4 year olds - add'l 15 hours for working parents (PTE)	4405.54	4,219.72	
Additional entitlement - 3 & 4 year old hourly rate	£4.80	£4.61	
Sub total additional hours 3&4 yr old funding (£m)	12.054	11.088	
Additional entitlement - 3 & 4 year old TPPG	0.176		
Total hours 3& 4 yr old funding – Passporting baseline	38.322	35.961	a
Other Early Years allocations:			
Maintained Nursery School (MNS) Grant (£m)	1.031	0.984	
Maintained Nursery School (MNS) Grant (£m) TPPG	0.149		
Funding for disadvantaged 2 year olds (£m)	4.650	4.032	
Early Years Pupil Premium (£m)	0.501	0.464	
Early Years Disability Access Fund (£m)	0.258	0.208	
Sub total – Other EY allocations	6.588	5.688	b
TOTAL EARLY YEARS BLOCK (£m)	44.910	41.649	c=b+a

The published allocations in Table 1 have been based on January 2022 census data. The actual early years quantum for 2023-24 will be driven by the January 2023 and January 2024 census data.

From 2023-24, the teachers' pay grant and teachers' pensions employer contribution grant (TPPG) 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. As with all other supplements, it is for local authorities to determine the appropriate metric for allocating funding, however, the DfE encourages local authorities to consider the purpose for which the grants were originally introduced when designing their approach. With that in mind, Derbyshire proposes to continue to target the funding to take account of additional pressures that providers face from the need to pay increased employer contributions to the teachers' pension scheme.

No technical changes to the distribution of funding have been announced for 2023-24, LAs will therefore continue to have to meet a passporting test. This test requires that at least 95% of the universal and additional hours funding for 3 and 4 year olds must be delegated to providers, with a maximum of 5% allowed to be held centrally. In terms of decision making, early years central budgets are a matter for the Schools Forum whilst the Early Years Single Funding Formula is the responsibility of the Council.

2.2 Early Years Single Funding Formula (EYSFF)

This is the basis for funding nursery schools, nursery units attached to mainstream schools and private, voluntary and independent early years provision. The formula must include a basic hourly rate for all providers and a deprivation indicator, in addition LAs can include indicators for rurality/sparsity, flexibility, quality and a lump sum for nursery schools.

The Authority proposes the following for 2023-24:

- (i) A universal & extended hourly rate of £4.47, an increase of £0.17 (3.95%);
- (ii) An enhanced hourly rate for nursery schools of £0.58, an increase of £0.02 (3.57%),
- (iii) The existing deprivation multiplier to increase to £1.35 per hour per eligible child in line with the increase in Early Years Pupil Premium, which applies to the same cohort of children, i.e. an increase of 3.32% in 2023-24;
- (iv) A nursery school lump sum of £95,500, an increase of £3,000 (3.24%). This would be in line with the increase for mainstream schools and academies.

- (v) A supplement will be introduced for the former TPPG grant at an hourly rate of £0.35 for nursery schools and £0.24 for other school settings. This will be funded via universal and extended hours for these settings. PVI settings will be able to claim this supplement if they have a qualified teacher employed in a teaching role and are paying into the teachers' pension scheme. A contingency fund is proposed to contribute to the sector's additional costs

The estimated costs of applying the above EYSFF multipliers to the January 2023 data used to calculate the income in Table 1 are set out in Table 2 overleaf.

Table 2 – EYSFF Allocations 2023-24

	Nursery schools	Nursery units	PVI	Total	
Proposed Universal/additional hourly rate	£4.47	£4.47	£4.47		
Proposed Enhanced hourly rate	£0.58	£0.00	£0.00		
Proposed supplement	£0.35	£0.24	£0.00*		
Proposed Overall hourly rate	£5.40	£4.71	£4.47		A
3&4 year olds universal hrs	543	3167	5690	9400	B
3&4 year olds additional hrs	192	874	3340	4406	C
Delegated funding	£m	£m	£m	£m	
Universal allocation	1.563	8.069	14.498	24.130	=AxBx570hrs
Additional hours allocation	0.553	2.226	8.509	11.288	=AxCx570hrs
TPPG allocation	0.149	0.551	0.000	0.700	
Subtotal - hourly rate allocations	2.265	10.846	23.007	36.118	
Formula supplements:					
Lump sum	0.764	0.000	0.000	0.764	
Deprivation	0.094	0.615	0.382	1.091	
Rates	0.075	0.000	0.000	0.075	
Subtotal - formula supplements	0.933	0.615	0.382	1.930	
Contingency – delegated	0.010	0.000	0.047*	0.057	
Total delegated funding	3.255	11.461	23.389	38.105	

*Supplement funding for PVI claims to be held in contingency.

2.3 Early Years Central Budgets

These are a matter for the Schools Forum. The Authority's recommended budgets for 2023-24, together with the 2022-23 comparative figures, are set out in Table 3 below. The Authority proposes keeping central early years spend at a similar proportion to 2022-23.

Table 3 – Central Early Years Budgets 2023-24

	Proposed	Approved
	2023-24	2022-23
Service	£m	£m
Early Years Improvement Service	1.316	1.267
Early Years SEN Service (part, balance funded by High Needs Block)**	0.067	0.058
Nursery school licences & misc funds**	0.013	0.013
Total	1.396	1.338
Proportion of funding allocated for central EY service (for passporting purposes)	3.64%	3.72%

**Only a small proportion of the Early Years SEN Service budget is funded by the Early Years Block, the increase requested represents a 1.1% in total funding. No increase is proposed via the High Needs Block.

**This includes the estimated cost of various copyright licences negotiated by the DfE and recharged to local authorities, with the balance set aside to fund support to help address cyber security related IT issues.

2.4 Early Years – Overall funding and passporting tests

The cost of the proposed allocations in sections 2.2 and 2.3 would fully allocate the hours-based funding for 3 and 4 year olds and the Maintained Nursery School Grant as shown in Table 4.

Table 4 – Summary of estimated income and proposed spend 2023-24

	Cost
	£m
Delegated Allocations per Table 2	38.105
Central Budgets per Table 3	1.396
Total spend	39.501
Universal/additional hours grant – Table 1	38.322
Maintained Nursery School grant – Table 1	1.179
Total grant	39.501

The comparison in Table 4 shows a balanced financial position, however, both the income and proposed delegated allocations are based on the hours in the settlement. The actual levels of income and expenditure in 2023-24 will be largely determined by the number of hours of provision recorded on the census returns. If the number of hours provided were to fall, this would result in a deficit being incurred as the marginal loss of grant (funded at £4.80 per hour) would be greater than the reductions in allocations to providers (mainly funded at £4.47 per hour). Equally, if the hours were to increase, then the reverse would be true and an underspend would be generated. Any over or underspend would need to be considered in future DSG allocation decisions.

The proposals would meet the DfE's passporting test as shown in Table 5 below.

Table 5 – Estimated impact of allocations on passporting test

	£m
Delegated Allocations per Table 2	38.106
Less funded by MNS grant	(1.180)
Delegated spend for passporting purposes	36.926
Universal/additional hours income – Table 1	38.322
Percentage of funds passported	96.36%

The Schools Forum is invited to comment on the report, including the proposed EYSFF rates for 2023-24 outlined in section 2.2, and to consider the Authority's proposed central early years budgets set out in section 2.3

3. Implications

Appendix 1 sets out the relevant implications considered in the preparation of the report.

4. Background Papers

4.1 Schools Funding settlement announcement 16th December 2022

5. Appendices

5.1 Appendix 1 - Implications.

5.2 Appendix 2 – Early Years Funding Components 2023-24

6. Recommendations

That Schools Forum:

- a) Notes the national early years funding rates for 2023-24;
- b) Notes the changes in TPPG funding arrangements and funding rates for 2023-24
- c) Gives its views on the Authority's Early Years Single Funding Formula proposals for 2023-24 set out in section 2.2; and
- d) Considers and approves the central early years budgets proposed by the Authority set out in section 2.3.

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Implications

Financial

- 1.1 As set out in the report. The cost of the proposed allocations in sections 2.2 and 2.3 would fully allocate the hours-based funding for 3 and 4 year olds and the Maintained Nursery School Grant. However, both the income and proposed delegated allocations are based on the hours in the settlement. The actual levels of income and expenditure in 2023-24 will be largely determined by the number of hours of provision recorded on the census returns.

Legal

- 2.1 The proposed allocations are in line with DfE Guidance at: [Early years funding: 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/early-years-funding-2023-to-2024)

Human Resources

- 3.1 None

Information Technology

- 4.1 None

Equalities Impact

- 5.1 None

Corporate objectives and priorities for change

- 6.1 The proposals will support the Council's objective to work creatively together to inspire and empower children, young people and their families and communities to be the best they can be: safe, healthy, happy, learning and working.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 None

Universal/additional hours for 3 and 4 year olds - For 2023-24 all LAs will receive a £0.19 increase on their unprotected EYFF hourly rate. Where the resultant hourly rate is less than £4.61 per hour LAs will be guaranteed £4.80 via protection arrangements. Derbyshire's increase for 2023-24 equates to 4.12%

Funding for disadvantaged 2 year olds – the rates for all LAs have increased by £0.06 per hour, Derbyshire's 2023-24 rate being £5.63 (from £5.57) an increase of 1.08%. This funding is provided as part of a national scheme to support eligible pupils access childcare.

Early Years' Pupil Premium (EYPP) - the DfE have also confirmed that the national rate for 2023-24 will be £0.62 per eligible child per hour an increase of £0.02 (3.2%) on 2022-23. The EYPP gives providers extra funding to support eligible 3 & 4 year olds for up to 15 hours per week.

Disability Access Fund (DAF) - the 2023-24 rate is £828 per eligible child per year, an increase of £28 (3.4%) on 2022-23. DAF supports 3 & 4 years olds in receipt of nursery entitlement and Disability Living Allowance to access provision.

Maintained Nursery Schools (MNS) grant – supports the higher operational costs of nursery schools. The £1.180m for 2023-24 includes £0.149m for TPPG. The 2023-24 grant has been calculated as the number of universal hours per year multiplied by £3.81 per hour, which includes £0.48 for TPPG. The unit rate, excluding the roll in of TPPG, is £0.10 (3.4%) higher than 2022-23.