# Schools Forum

**Item No. 4a**

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| **Report title:** | **Proposed Schools Budget 2023-24** |
| **Date of meeting:** | **27 January 2023** |

**Executive summary**

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| **Schools Forum is asked to:**   * **Note information provided for the 2023-24 Dedicated Schools Block allocations and other DfE grants (Sections 1 and 2);** * **Note the funding announcements in relation to High Needs Block (Section 3);** * **Note the latest updates to Norfolk’s DSG recovery plan (Section 4);** * **Note the funding announcements in relation to the Schools Block (Section 5);** * **Note the Maintained Nursery Supplement provided by the DSG and recommend the proposal to continue to provide additional protection (£29,896 for 2023-24) from the EY Block (Section 6);** * **Vote on retention of 5% of 3- and 4-year-old allocations for EY central services (Section 6);** * **Note the funding announcements in relation to the Central School Services Block (Section 7).** * **Approve the following items from Central School Services Block:** * **Fees to independent schools for pupils with SEN (£100,00)** * **Contribution to Learning and Inclusion (£119,700)** * **Funding for the LA to meet responsibilities held for all schools including Teachers’ Pension employer contributions for centrally employed teachers (£2,499,893)** |

## Background

This report follows on from the Dedicated Schools Grant reports to Norfolk Schools Forum in November 2022 (items 3a to e), available [here](https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers), considering the updated information now available and identifying the further decisions or recommendations required.

* 1. **Key Decisions and Recommendations Previously Made**

At the November 2022 meeting of Norfolk’s Schools Forum, the following key decisions, recommendations and views were shared:

* De-delegation / Central School Services Block decisions by the appropriate sector representatives (some central items to be discussed again in January).
* Schools Forum agreed to a continuation of the movement of 0.5% Schools Block to High Needs Block for 2023-24
* Schools Forum Members were given the opportunity to individually provide views on a request for an additional 1% transfer from the Schools Block to the High Needs Block for 2023-24
* Early Years consultative group set up to consider LA’s autumn EY consultation and to provide a view to Schools Forum on EY funding formula for 2023-24 in January.

Further information is available within the minutes of the meeting, available [here](https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-minutes).

**1.2 Key events or changes since November 2022 Forum**

Key events or changes since the last Schools Forum meeting:

* Submission by the LA of a disapplication request to move an additional 1% from the Schools Block to the High Needs Block for 2023-24;
* DSG 2023-24 allocations published in December 2022;
* Mainstream Schools Additional Grant and additional High Needs allocations published by DfE in December 2022;
* Confirmation of increases to the 2-year-old and 3-and-4-year-old Early Years National Funding Formula hourly rates as well as the Maintained Nursery Supplement for 2023-24;
* Autumn 2022 Early Years census;
* Authority Proforma Tool issued by DfE.

## Central Government Funding Allocations

**2.1 2023-24 Dedicated Schools Grant Allocation**

Norfolk’s Dedicated Schools Grant (DSG) allocation for 2023-24 was published by the DfE in December 2022 and totals £787.655m before academy recoupment. This compares to a total DSG allocation of £737.767m in 2022-23 as at the November 2022 DSG update; an overall increase of £49.888m between years.

An additional £2bn for both 2023-24 and 2024-25 financial years was announced in the Government’s autumn statement, and the DfE states that funding increases for mainstream schools are equivalent to a per-pupil increase of approximately 5% overall compared to 2022-23[[1]](#footnote-2).

Within the additional £2bn for 2023-24, an extra £400m was announced nationally for High Needs. Norfolk will receive an additional £5.349m of High Needs additional DSG funding included within the published DSG allocations (bringing the total High Needs allocation for 2023-24 to £135.212m). Part of this additional High Needs funding must be used to allocate an additional 3.4% to special and AP schools and academies, as per the 2023-24 DSG conditions of grant.

As well as an increased DSG allocation, the Government has announced £1.451bn[[2]](#footnote-3) nationally for 2023-24 in the form of ‘Mainstream Schools Additional Grant’. Norfolk’s share is, indicatively, £20.5m and the grant will be allocated to mainstream schools and academies. School level allocations are expected from the DfE in spring 2023.

Finally, the DFE have published the early years rates and operational guidance for 2023-24. The Early Years block will receive a further £20m on top of the £180m of additional funding in 2023-24 compared to 2021-22 announced at the Spending Review. Local authorities will receive average funding increases of 3.4% for the 3 and 4-year-old free childcare entitlements and 4% for the 2-year-old entitlement.

**2.2 DSG - Changes Between Years (by Funding Block)**

The overall difference in the DSG allocation from the prior year funding is set out in the table overleaf:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Funding element** | **2023-24\***  **(£m)** | **2022/23\*\***  **(£m)** | **Change**  **(£m)** | **Explanation for change** |
| **Early Years Block** |  |  |  |  |
| Early Years 3- & 4-year-olds: 15 hours universal entitlement | 30.183 | 28.397 | 1.786 | Increase in hourly rate from £4.61 to £4.90 including £0.06 per hour for TPG/TPECG |
| Early Years 3- & 4-year-olds: 30 hours for working parents | 10.863 | 10.220 | 0.643 | Increase in hourly rate from £4.61 to £4.90 including £0.06 per hour for TPG/TPECG |
| Early Years 2-year-olds: 15 hours, where eligible | 4.993 | 4.870 | 0.123 | Increase in hourly rate from £5.57 to £5.71 |
| Early Years Pupil Premium | 0.631 | 0.611 | 0.020 | Increase in rate from £0.60 to £0.62 |
| Nursery Schools Supplement | 0.383 | 0.268 | 0.115 | Increase in hourly rate from £2.66 to £3.80 including £0.53 per hour for TPG/TPECG |
| Early Years Disability Access Fund | 0.276 | 0.227 | 0.049 | Increase from £800 per child (for 284 pupils in 2022-23) to £828 (for 333 pupils in 2023-24) |
| **Schools Block** | 601.033 | 568.631 | 32.402 | Increase of 514 pupils, £3.633m, School Supplementary Grant rolled into DSG (£16.818m) and additional money from DfE through NFF £11.951m. |
| **Central School Services Block** | 4.080 | 3.965 | 0.115 | Increase of 514 pupils, funding per-pupil has increased from £35.75 to £36.88 per pupil, but £25k reduction to historic commitments funding. |
| **High Needs Block\*\*\*** | 135.212 | 120.578 | 14.634 | Includes £1.577m for increase in special school (inc. independent) places, £5.349m additional High Needs Block DSG allocation announced in December 2022, and additional funding distributed through National Funding Formula. |
| **Total\*\*\*\*** | **787.655** | **737.767** | **49.888** |  |

\*Source: DfE’s DSG allocation tables 2023-24 (published Dec’22)

\*\*Source: DfE’s DSG allocation tables 2022-23 (Nov’22 update)

\*\*\*Includes High Needs additional DSG funding allocation of £5.349m (HN allocation before additional based on NFF approximately £129.864m)

\*\*\*\*Excludes £20.5m of Mainstream Schools Additional Grant, outside of the DSG for mainstream schools and academies which will be distributed based on school-level allocations from the DfE expected to be published in Spring 2023.

Note: All figures are shown rounded to nearest thousand per DfE allocation table

**2.3 Movement Between Funding Blocks**

Movement of 0.5% from the Schools Block to the High Needs Block was agreed by Schools Forum at the November 2022 meeting with the intention of alleviating the forecast pressure on the High Needs Block caused by the demand on high-cost specialist placements, the increase in high needs in the school population and the proportion of placements in independent provision as opposed to state-maintained provision. Based on the updated DSG allocation for 2023-24 this is a one-off movement of approximately £3.005m. Following that transfer the new totals will be £598.027m for Schools Block and £138.217m for High Needs Block.

The Local Authority submitted a disapplication of regulations request to the Secretary of State in November 2022 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2023-24, equivalent to approximately £6.010m. The Local Authority has not yet received a response from the Secretary of State but, for the purposes of this report, the DSG Management Plan update includes the requested transfer. If the disapplication request is subsequently refused, the forecast DSG deficit will increase accordingly and the multi-year plan will require review.

**2.4 Existing DSG Cumulative Deficit**

Norfolk is carrying an outstanding DSG deficit of £53.976m from previous financial years as a result of pressures within the High Needs Block. A further DSG deficit of £19.6m for 2022/23 is forecast based upon the latest information available. The overall DSG starting position for 2023/24 is, therefore, forecast to be a deficit of £73.6m.

**2.5 Other Schools Grants**

**2.5.1 Pupil Premium**

The DfE has stated that Pupil Premium funding will increase by 5% for 2023-24, and that the new rates will be:

Primary FSM6 pupils: £1,455

Secondary FSM6 pupils: £1,035

Looked-after children: £2,530

Children who have ceased to be looked-after: £2,530

Service children: £335

The DfE will publish allocations and conditions of grant in spring 2023.

**2.5.2 Other grants for 2023 to 2024**

The DfE have stated that information about other grants for 2023 to 2024 will be issued during 2023.

**Schools Forum is asked to:**

* **Note information provided for the 2023-24 Dedicated Schools Block allocations and other DfE grants.**

## High Needs Block

The High Needs block allocation generated by National Funding Formula for 2023-24, including High Needs additional DSG funding of £5.349m, has increased to £135.212m from £120.578m in 2022-23. This is an increase of £14.634m (12.1%) compared to the 2022-23 High Needs Block (as at the November 2022 DSG update).

The increase of £14.634m between years includes an increase of £1.577m based on the number of pupils in special schools (including independent), up from 2,299.50 to 2,638 pupils, and £5.349m of High Needs additional DSG funding allocated from the extra £400m announced for High Needs nationally. The remainder is due to previously announced and expected DSG increases with the High Needs National Funding Formula for 2023-24.

Part of the additional High Needs funding of £5.349m included within the DSG allocation must be used to give an additional 3.4% to special and AP schools and academies, as per the 2023-24 DSG conditions of grant.

## Dedicated Schools Grant Management Plan

**4.1 Previous DSG Deficit Management Plan**

The previous DSG management plan was presented to Schools Forum in the Autumn term, link to Schools Forum papers on website: [Forum agendas and papers](https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers)[[3]](#footnote-4). This was a multi-year plan developed through the Safety Valve programme with support from DfE finance and SEND advisors. The plan is designed to provide both DfE and NCC investment to return the High Needs Block to in-year balanced position through our Local 1st Inclusion programme and will subsequently result in the cumulative deficit being repaid.

In addition to revenue investment, elements the DfE are also considering capital bids from NCC for two more special schools alongside the council’s ongoing £120m SEND capital investment, which DfE Advisors have informed us that the scale of the capital investment that the Council has committed to exceeds any they have seen elsewhere.

The plan previously presented forecast a £25.153m deficit for 2023/24, returning to a balanced in-year position during 2027/28 and with a cumulative deficit of £103.766m by the end of 2028/29.

Following Forum’s November 2022 meeting, the Local Authority submitted a disapplication of regulations request to the Secretary of State in November 2022 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2023-24, equivalent to approximately £6.010m. The Local Authority has not yet received a response from the Secretary of State but, for now, the proposed 2023-24 budget and the medium term DSG Management Plan includes the requested transfer. If the disapplication request is subsequently refused, or only partially agreed, the forecast DSG deficit will increase accordingly.

**4.2 Latest DSG Management Plan Forecast**

After the initial plan was submitted to the DfE and shared with Schools Forum, the Government made a DSG funding announcement in December 2022 confirming both additional Schools Block and High Needs Block funding. Additionally, significant levels of inflation were seen in the latter part of the year that would place pressure on the assumptions in the submitted plan and the levels of inflation seen during the latter part of 2022.

The Local Authority has undertaken a high-level revision of the DSG management plan previously shared with Forum and submitted to the DfE to consider these two key factors. The amendments include revision to the inflation rate for externally purchased placements and support and revision to pay inflation rates considering recent pay awards.

The Local Authority has not yet received a response from the Secretary of State but, for now, the proposed 2023-24 budget and the medium term DSG Management Plan includes the requested transfer. If the disapplication request is subsequently refused, or only partially agreed, the forecast DSG deficit will increase accordingly.

HNB income and transfers from the SB for 2023-24 is now expected to total £144.228m (an increase of £7.104m since the previously published plan) with expenditure expected to total £169.376m (an increase of £7.100m) that takes into account the most recent impact of inflation and pay awards that were not known at the time of preparing the initial Safety Valve submission.

The revised plan forecasts an in-year deficit for 2023-24 of £25.149m (a reduction of £0.004m compared to the previously provided plan) and a cumulative deficit of £102.423m by the end of 2028/29 (a reduction £1.343m).

The deficit budget for 2023-24 comprises of a combination of demand for high needs, specialist education placements and provision, particularly independent provision, exceeding the funds available combined with revenue invest-to-save approaches as part of the multi-year medium term plan to return to a balanced in year position in future. The budgeted deficit will be added to the cumulative DSG deficit forecast as at end of March 2023, now forecast to be £98.762m.

This plan is aligned with the latest monitoring at the time of writing (period 8, end of November 2022). The modelling will continue to be improved and refined on an iterative basis.

This revised plan is due to be submitted to the DfE by 31st January 2023 and a summary is shown below.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **DSG Medium Term Plan** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** |
| High Needs Block DSG Income | -120.578 | -135.212 | -141.484 | -145.175 | -148.682 | -152.865 | -157.846 |
| 1.5% Schools Block transfer | -8.529 | -9.015 | -9.196 | -9.380 | -9.567 | -9.759 | -9.954 |
| **Total income** | **-129.107** | **-144.228** | **-150.680** | **-154.555** | **-158.249** | **-162.623** | **-167.800** |
| Maintained / Academy / Free Special Schools | 46.878 | 53.584 | 56.351 | 58.883 | 62.115 | 64.828 | 67.038 |
| Specialist Resource Bases & Deaf Resource Bases | 6.314 | 7.966 | 10.466 | 14.291 | 17.959 | 19.497 | 19.887 |
| Independent Special Schools | 42.771 | 47.424 | 41.437 | 29.825 | 16.910 | 7.427 | 6.908 |
| Alternative Provision | 2.133 | 2.110 | 2.007 | 1.894 | 1.783 | 1.662 | 1.552 |
| Short Stay Schools | 8.400 | 8.831 | 8.203 | 7.578 | 6.957 | 6.339 | 5.726 |
| Post-16 (Further Education) | 8.173 | 8.631 | 8.864 | 8.620 | 8.386 | 8.160 | 7.960 |
| Other Provisions | 5.027 | 4.238 | 3.866 | 3.514 | 3.133 | 2.793 | 2.393 |
| Inclusion fund (including mainstream SEN / EHCP support) | 20.176 | 23.265 | 25.118 | 26.533 | 27.310 | 27.589 | 27.370 |
| Speech & Language, Sensory, Youth Offending and Child & Adolescent Mental Health support & contributions | 3.551 | 3.680 | 3.744 | 3.841 | 3.940 | 4.042 | 4.146 |
| High Needs Inclusion Infrastructure, cluster teams including parent link workers | 2.680 | 6.098 | 7.466 | 7.346 | 7.323 | 6.163 | 5.289 |
| Other, including TPG/TPECG, H&SC levy and new school start-up costs | 2.641 | 2.519 | 2.591 | 2.655 | 2.734 | 2.804 | 2.856 |
| Investment contingency including Inclusion Fund | 0.000 | 1.030 | 1.000 | 0.500 | 0.000 | 0.000 | 0.000 |
| **Total Expenditure** | **148.744** | **169.376** | **171.112** | **165.479** | **158.549** | **151.303** | **151.125** |
| **In-year +deficit/-surplus** | **19.637** | **25.149** | **20.433** | **10.924** | **0.300** | **-11.320** | **-16.675** |
| **Cumulative Balance without contribution** | **73.613** | **98.762** | **119.194** | **130.118** | **130.418** | **119.098** | **102.423** |

The table below provides a breakdown of the placement numbers forecast in the financial model by type, including estimations of the number of children and young people who would be supported in mainstream provision with either an EHCP or high needs funded SEN support. This shows that whilst there is a small, overall increase in the number of children and young people supported by the high needs block, there is a significant shift in how and where needs will be met.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Placements Numbers by type:** | **2022-23** | **2023-24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** |
| Maintained / Academy / Free Special Schools | 2,049 | 2,128 | 2,188 | 2,233 | 2,317 | 2,347 | 2,369 |
| Independent Special Schools | 909 | 946 | 820 | 599 | 344 | 119 | 108 |
| Add/Other Provisions | 205 | 187 | 170 | 153 | 136 | 119 | 100 |
| Medical Needs/Hospital Provision | 84 | 20 | 20 | 20 | 20 | 20 | 20 |
| Personal Budgets | 82 | 83 | 84 | 85 | 86 | 87 | 86 |
| Section 19 Placements and Support^ | 157 | 139 | 122 | 105 | 88 | 71 | 52 |
| Alternative Provision | 110 | 110 | 103 | 96 | 89 | 82 | 76 |
| Post-16 (Further Education) | 764 | 781 | 796 | 712 | 629 | 546 | 464 |
| Specialist Resource Bases & Deaf Resource Bases | 420 | 530 | 717 | 970 | 1,132 | 1,132 | 1,132 |
| Short Stay Schools | 432 | 432 | 432 | 432 | 432 | 432 | 432 |
| Other Local Authority Recoupment | 96 | 94 | 83 | 72 | 61 | 50 | 40 |
| **Total Placement Numbers** | **5,308** | **5,450** | **5,535** | **5,477** | **5,334** | **5,006** | **4,879** |
| Mainstream EHCP & funded SEN support | 4,154 | 4,330 | 4,385 | 4,445 | 4,496 | 4,562 | 4,693 |
| **Total** | **9,462** | **9,780** | **9,920** | **9,922** | **9,830** | **9,568** | **9,572** |

**Schools Forum is asked to:**

**Note the latest updates to Norfolk’s DSG Management Plan.**

## Schools Block

The Schools Block allocation for 2023-24 is £601.033m; an increase of £32.402m from the £568.631m received in 2022-23. This increase includes £16.818m of School Supplementary Grant that has been rolled into the DSG in 2023-24.

The Schools Block will be allocated to mainstream schools and academies in 2023-24, after deductions for an agreed growth fund and any agreed transfers to High Needs Block, mirroring National Funding Formula factor values and methodologies as closely as possible subject to a final calibration of the formula to funds available (as set out in the autumn 2022 consultation).

Schools Forum agreed at the November 2022 meeting:

* A top slice of £0.711m Schools Block funding for a growth fund for maintained schools and academies;
* An additional top slice of £0.390m as part of the growth fund to be allocated to new schools for pre-opening costs;
* A transfer of 0.5% (£3.005m based on final Schools Block allocation) from Schools Block to High Needs Block to support pressures within the High Needs Block and to support recovery of the DSG deficit.

In addition to the 0.5% transfer agreed by Schools Forum in November 2022, a further transfer of an additional 1% (£6.010m) to High Needs Block has been requested by the LA in a disapplication request to the Secretary of State and a response is awaited.

The total allocation to mainstream schools’ and academies’ budget shares will be £596,926,961 (including National Non-Domestic Rates) if the disapplication request is refused, or £590,916,630 if the disapplication is approved. In addition, the agreed £1.101m growth fund will be allocated in-year based on the growth fund criteria agreed by Schools Forum in November 2022 (£0.711m for in-year growth and £0.390m for the pre-opening costs of new schools).

In addition to the Schools Block DSG allocation, Norfolk’s mainstream schools and academies will receive Mainstream Schools Additional Grant of £20.5m which will be allocated to mainstream schools and academies in 2023-24 based on school-level allocations provided by the DfE in spring 2023.

Further details of this grant are available at the link below:

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

**Schools Forum is asked to:**

* **Note the funding announcements in relation to the Schools Block**

## Early Years Block

**6.1 3- and 4-Year-Old Universal Entitlement**

The indicative Early Years Block for 3- and 4-year-old universal entitlement (15 hours per week) in 2023-24 totals £30.184m compared to £28.397m in 2022-23 (as of Nov’22 update). The increase in funding is due to an increase in the hourly rate from £4.61 per hour in 2022-23 to £4.90 per hour in 2023-24, based on the same number of funded hours for both years.

The 2023-24 published rate for Norfolk’s 3- and 4-year-old funding is £4.90 per hour from which all provider basic hours, supplements (including Teachers’ Pay Grant and Teachers’ Pension Employee Contribution Grant) and central costs must be funded.  The £4.90 per hour includes £0.06 per hour towards Teachers’ Pay Grant (TPG) and Teachers’ Pension Employer Contribution Grant (TPECG) which in 2022-23 were separate grants for schools, and, excluding that the rate received is £4.84 per hour which is an increase of £0.23 per hour compared to the 2022-23 rate of £4.61 per hour.

**6.2 3- and 4-Year-Old Additional Entitlement**

Working parents may access an additional 15 hours of funded 3- and 4-year-old early education, taking the total amount to 30 hours per week of funded childcare.  Based on the January 2022 census, the DfE has provided indicative funding of £10.863 for the estimated take up of the additional 15 hours by parents in 2023-24, compared to £10.220m in 2022-23 (as at Nov’22 update).  The increase in funding is due to an increase in the hourly rate from £4.61 per hour in 2022-23 to £4.90 per hour (including £0.06/hr towards TPG/TPECG) in 2023-24, based on the same number of funded hours for both years.

**6.3 2-Year-Old Entitlement**

Parents can access 15 hours of funded 2-year-old early education, if they meet the eligibility criteria. The Department of Education is providing £4.993m of funding initially based on the January 2022 census (compared to £4.870m in 2022-23 as updated at November 2022). The Local Authority will receive £5.71 per hour for Early Education of 2-year-olds, which is an increase of £0.14 per hour compared to 2022-23.

**6.4 Early Years Pupil Premium**

Early Years Pupil Premium continues for 2023-24 at an increased rate of £0.62 per hour (£0.60 per hour in 2022/23) per eligible child claiming 3 and 4-year-old funding, up to a maximum of 570 hours per year. The initial published allocation is £0.631m.

**6.5 EY Final Allocations and Budgeting for 2023-24**

Final Early Years Block allocations for 2023-24 will be based on 5/12th of Part Time Equivalent data from the January 2023 Census and 7/12th of PTE data from the January 2024 Census. The local authority will account for EY Block income on an accruals basis, entering estimated adjustments into the accounts at year end to reflect the estimated final EY Block funding for 2023-24. The final adjustment to 2023-24 Early Years Block will take place in July 2024, after year end.

Initial budgets, and the funding formula, will be set based on the DfE’s indicative Early Years Block allocation.

**6.6 Disability Access Fund**

Finally, the Early Years Block includes a Disability Access Fund aids access to early years places. In 2023-24, early years settings are eligible for £828 per year (increased from £800 in 2022/23) for each child in receipt of Disability Living Allowance using February 2022 data. The allocation for 2023-24 is £0.276m, and this figure is not updated during the financial year.

**6.7 Maintained Nursery Supplement**

The Early Years National Funding Formula (EYNFF) places nursery schools on the same funding model as all Early Years Settings, and supplementary funding of £0.383m (increased from £0.268m in 2022/23) has been provided to continue to protect fixed sums that the 3 Nursery Schools in Norfolk receive. The increase is based on a £0.61/hr uplift to the supplementary funding rate and includes a further £0.53/hr to cover the costs of Teacher’s Pay and Pension Grants both previously separately paid to the schools. The fixed sums fund the higher overheads and cost of qualified teaching staff in a Nursery School.

In addition to the Maintained Nursery Supplement (MNS) provided to nursery schools by the DfE, the LA currently provides additional protection to the schools to meet the remainder of the fixed sums that were paid to nursery schools prior to the introduction of the Early Years National Funding Formula (less a reduction of 1.5% per year previously agreed for transition). The combined total level of protection in 2022-23 for nursery schools is currently £365,342 made up of £268,413 for MNS from DfE and £96,929 additional protection provided by the LA from EY Block.

On the basis that the total protection continues to be reduced by 1.5%, the new total protection required for 2023-24 would be £359,862 which would be funded by £329,966 for MNS from DfE (excluding the newly allocated TPG/TPECG element) and **£29,896** additional protection provided through the EY Block.

In addition, TPG/TPECG funding of £53,481 would be allocated, received from DfE as part of 2023-24 MNS allocation.  Schools Forum will be asked to comment on the proposal to provide additional protection to maintained nursery schools at this rate at their January Schools Forum Meeting.

**Schools Forum is asked to:**

* **Note the Maintained Nursery Supplement provided by the DSG and recommend the proposal to continue to provide additional protection (£29,896 for 2023-24) from the EY Block**

**6.8 EY Pass-Through/Central Services**

Based on the 2023-24 published DSG allocations, the upper limit of the 5% of total 3- and 4-year-old funding that can be retained centrally by the LA will be £2,052,323. Schools Forum will be asked to vote on retention of the 5% for 2023-24 so that the Local Authority will continue to use this funding to provide central support and administer payments to all providers of Early Years Education, in schools and in private, voluntary and independent settings.

NCC are under significant financial pressure, as are all local authorities, particularly all areas of discretionary spend. Demand on service support for inclusion, meeting SEND and communication needs and the sustainability of providers is high. Service provision to the whole Early Years sector will need to be reviewed and, potentially, reduced if the 5% transfer is not supported for 2023-24.

By retaining 5% of the 3- and 4-year-old funding allocation towards the cost of EY central services, Norfolk will meet the requirement for 95% pass-through of 3- and 4-year-old funding to providers.

At present, Norfolk’s formula for 2-year-old funding does not include a contribution towards EY central services and there has been sufficient funding contribution, along with NCC’s contribution, to fund these services. The 2022-23 budget for these jointly funded services is as follows:

|  |  |  |
| --- | --- | --- |
| **NCC Early Years Service & Finance** | **Centrally Retained DSG** | **LA Contribution to Service** |
| Early Years Staff Costs | £1.453m | £0.328m |
| Early Years Finance Staff Costs | £0.205m |  |
| Contribution to Portage | £0.161m |  |
| Training Programme and Projects |  | £0.604m |
| Resources |  | £0.096m |
| Funding Panel |  | £0.386m |
| Contribution to Speech and Language Contract |  | £0.275m |
| **TOTAL** | £1.819m | £1.689m |
| £3.508m | |

**Schools Forum is asked to:**

* **Vote on retention of 5% of 3- and 4-year-old allocations for EY central services**

1. **Central Services Schools Block**

The Central School Services Block allocation for 2023-24 is £4.080m (£3.965m in 2022-23) and covers centrally retained budgets that support schools. The increase of £0.115m is due to an increase of 514 pupils between years, an increase in the amount allocated per-pupil (from £35.75 per-pupil to £36.88 per-pupil), partially offset by a decrease in funding for historic commitments (down from £123k to £98k). This LA proposes to use this DSG block as follows:

* To meet the cost of central licences for all schools which will be charged to the LA by the DfE (Schools Forum agreement not required for this item);
* To meet historic commitments (Termination of employment costs, £64,994) and ongoing central functions (School Admissions £487,011) plus the Schools Forum budget (£30,000), which were agreed by Schools Forum at the November 2022 meeting.
* To fund the following items that are still to be agreed by Schools Forum (vote to be undertaken at this meeting):
* Fees to independent schools for pupils with SEN (£100,00)
* Contribution to central budgets supporting learning and inclusion (£119,700)
* To provide a budget for the LA to meet responsibilities held for all schools including Teachers’ Pension employer contributions for centrally employed teachers (vote to be undertaken at this meeting).

Additional information has been provided, as requested at the November Schools Forum meeting, for the outstanding items to be agreed by Schools Forum:

**Fees to independent schools for pupils with SEN - £100,000**

The Assisted Boarding Partnership (ABP) scheme has long standing success in helping families stay together and on improving outcomes for children and young people. Norfolk’s Schools Forum has historically supported a contribution from the Central Services Schools Block reflecting a shared moral purpose of promoting life chances of some of Norfolk’s most vulnerable children and on the benefits to Norfolk and to its education system of children being able to remain living at home and being cared for by their families.

Children who access the ABP scheme who are at acute risk of entering into the care system. Without this opportunity, children will be at greater risk of the damage and turmoil that can be associated with the care experience, such as adverse childhood experiences and attachment difficulties, with its resulting known impact on children’s learning and educational needs.

Without access to this important scheme, such children will be more likely to require specialist care and educational facilities at a much greater cost to the High Needs Block, and even in cases where children are able to remain within a mainstream school setting, they will often require additional significant support, resources and provision from the school with its resulting impact on main school budgets.

The Local Authority sees the ABP as one of the cornerstones of its early help and prevention offer and considers it an effective initiative that not only improves outcomes for children and young people, reflects the Partnership’s shared purpose for children and young people to FLOURISH, but is also cost effective for both schools and council budgets through its proven success in meeting children’s needs at the earliest stage and before needs escalate to the point of crisis.

Following discussion of the Forum in November 2021, a link to research on the Assisted Boarding Partnership was circulated[[4]](#footnote-5): [Norfolk research highlights success of boarding partnerships - Norfolk County Council](https://www.norfolk.gov.uk/news/2018/06/norfolk-research-highlights-success-of-boarding-partnerships)

**Schools Forum are requested to approve a continued contribution of £100,000 for the Assisted Boarding Partnership from the Central Schools Services Block (as part of ongoing functions).**

**Contribution to central budgets supporting learning and inclusion - £119,700**

In the November 2022 Forum paper, this was referred to as ‘Contribution towards the Director of Learning & Inclusion central budgets – early intervention and achievement’ in error, given that the Director of Learning and Inclusion was retiring at the end of 2022. Therefore, the LA were asked to clarify the purpose of the contribution.

The proposed contribution would fund:

* Continuation of annual contribution of £0.010m to the Norfolk Governors Network
* Continuation of annual contribution of £0.010m to the Norfolk Association of Special School Heads
* Continuation of annual contribution of £0.050m to Educate Norfolk - School's Forum is asked to continue to support Educate Norfolk to be a representative group for all Norfolk schools, which is not dependent on additional subscription or purchase of additional services the group may choose to provide. The contribution will cover administration, licences, infrastructure and venue costs to support work which benefits
* Remainder to contribute to the leadership roles undertaken by school leaders, the Executive Director of Children’s Services and the Children’s Services Leadership Team who now jointly have responsibility for the development of learning and inclusion in Norfolk as part of the new integrated management arrangements.

Without this contribution, the Local Authority would need to identify the equivalent budget reductions from existing learning and inclusion related services to enable the required leadership roles to be fulfilled.

**Schools Forum are requested to approve a continued contribution of £119,700 to learning and inclusion towards the central budgets to enable leadership, improvement and strategy work, contributions towards head teacher and educational conferences.**

**LA responsibilities held for all schools - £2,499,893**

See Annex A for the list of responsibilities held by the LA for all schools.

At the Schools Forum November 2022 meeting, the LA were asked to provide further information regarding how these funds are utilised to deliver the responsibilities held by the LA and detailed in Annex A for reference purposes.

It is not possible to specifically identify services areas / provision that is funded by the Central Services Schools Block as budgeting is undertaken at an overall level with a significant contribution from the County Council. Steps have been taken to exclude elements required to be local authority funded, such as high needs leadership, assessment and casework. Budgets provided are net budgets as some services have traded elements. However, the table below provides a summary of the areas of relevant budget for 2022-23 and the associated funding sources:

|  |  |
| --- | --- |
| **Service Area** | **Net Budget, £m** |
| School infrastructure & organisation, place planning | 0.718 |
| Inclusion and fair access | 0.659 |
| Achievement, curriculum, moderation and assessment | 0.443 |
| Participation, transition and inclusion | 1.476 |
| Virtual School LAC and previously LAC | 0.568 |
| School intervention & improvement | 1.110 |
| Attendance and Education Safeguarding | 0.545 |
| Strategic School Support | 0.419 |
| Leadership | 0.859 |
| Services to Home Educators | 0.064 |
| Preventing Radicalisation | 0.128 |
| **Total** | **6.989** |
| Less 22/23 Monitoring & Improvement grant | -0.296 |
| Central Services Schools Block funded | -2.289 |
| **Norfolk County Council funded** | **4.404** |

For 2023-24, the figure has now reduced from the £2,566,546 requested at the November meeting to £2,499,893, due to an increase in the amount that the DfE will deduct towards licences for all schools, confirmed to the LA in December with DSG allocations.

If this contribution was not agreed by Schools Forum, the local authority would need to ask the ESFA to adjudicate given the responsibilities held and funding required to meet these.

**Schools Forum are requested to approve a continued contribution towards the cost of responsibilities held for all schools £2,499,893 from the Central School Services Block.**

**Schools Forum is asked to:**

* **Note the funding announcements in relation to the Central School Services Block**
* **Approve the following items from Central School Services Block:**
* **Fees to independent schools for pupils with SEN (£100,000)**
* **Contribution to Learning and Inclusion (£119,700)**
* **Funding for the LA to meet responsibilities held for all schools including Teachers’ Pension employer contributions for centrally employed teachers (£2,499,893)**

### Annex A

**Responsibilities held for all schools**

**Statutory and regulatory duties**

• director of children’s services and personal staff for director (sch 2, 15a)

• planning for the education service (sch 2, 15b)

• revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (sch 2, 22)

• authorisation and monitoring of expenditure not met from schools’ budget shares (sch 2, 15c)

• formulation and review of local authority schools funding formula (sch 2, 15d)

• internal audit and other tasks related to the local authority’s chief finance officer’s responsibilities under section 151 of LGA 1972 except duties specifically related to maintained schools (sch 2, 15e)

• consultation costs relating to non-staffing issues (sch 2, 19)

• plans involving collaboration with other local authority services or public or voluntary bodies (sch 2, 15f)

• Standing Advisory Committees for Religious Education (SACREs) (sch 2, 17)

• provision of information to or at the request of the Crown other than relating specifically to maintained schools (sch 2, 21)

**Education welfare**

• functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (sch 2, 20)

• school attendance (sch 2, 16)

• responsibilities regarding the employment of children (sch 2, 18)

**Asset management**

• management of the local authority’s capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (sch 2, 14a)

• general landlord duties for all buildings owned by the local authority, including those leased to academies (sch 2, 14b)

**Other ongoing duties**

• licences negotiated centrally by the Secretary of State for all publicly funded schools (sch 2, 8); this does not require schools forum approval

• admissions (Sch 2, 9)

• places in independent schools for non-SEN pupils (sch 2, 10)

• remission of boarding fees at maintained schools and academies (sch 2, 11)

• servicing of schools forums (sch 2, 12)

• back-pay for equal pay claims (sch 2, 13)

• writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (sch 2, 23)

**Historic commitments**

• capital expenditure funded from revenue (sch 2, 1)

• prudential borrowing costs (sch 2, 2(a))

• termination of employment costs (sch 2, 2(b))

• contribution to combined budgets (sch 2, 2(c))

Source: [Schools operational guide: 2023 to 2024 - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2023-to-2024/schools-operational-guide-2023-to-2024#responsibilities-held-for-all-schools)

1. [Investment to shield schools from high energy bills and boost to budgets - GOV.UK (www.gov.uk)](https://www.gov.uk/government/news/investment-to-shield-schools-from-high-energy-bills-and-boost-to-budgets) [↑](#footnote-ref-2)
2. [Mainstream schools additional grant 2023 to 2024 - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/mainstream-schools-additional-grant-2023-to-2024) [↑](#footnote-ref-3)
3. https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers [↑](#footnote-ref-4)
4. https://www.norfolk.gov.uk/news/2018/06/norfolk-research-highlights-success-of-boarding-partnerships [↑](#footnote-ref-5)