

# Bolton Council

**Report to:** Schools Forum

**Date:** 14<sup>th</sup> January 2022

**Report of:** Director of People  
Deputy Chief Executive

**Report No:**

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**Report Title:** **Dedicated Schools Grant Budget 2022-23**

**Confidential /  
Non Confidential:**  
*(delete as approp)*

This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

**Purpose:**

To summarise the Dedicated Schools Grant position for 2022-23 and make recommendations in advance of approval by the Executive Cabinet Member.

**Recommendations:**

The Schools Forum is asked to comment on the Budget Report; and to recommend for approval by the Executive Member: -

- adopt a minimum funding guarantee of 2% per pupil (section 4)
- Transfer up to 0.5% of the Schools Block to the High Needs Block, by not including the Area Cost adjustment within the formula (section 5)
- Approve the 2022-23-unit values in appendix A (section 6)
- Growth Fund Criteria (Section 7)
- De-delegation levels (Section 9)
- Central School Services expenditure (Section 10)
- Early Years central expenditure (Section 11)

## 1. Purpose of the Report

To summarise the Dedicated Schools Grant position for 2022-23 and make recommendations in advance of approval by the Executive Cabinet Member.

## 2. Dedicated Schools Grant (DSG)

The initial 2022-23 DSG for Bolton, before academy recoupment and high needs places deduction, has been confirmed as £332,780,000: -

	Schools Block	Central School Services Block	High Needs Block	Early Years Block	Total DSG
	£m	£m	£m	£m	£m
<b>2021-22 Final DSG</b>	<b>247.103</b>	<b>1.961</b>	<b>46.110</b>	<b>22.288</b>	<b>317.462</b>
National Funding Formula	6.384	-0.003	4.733	0	11.114
Change in Pupil Numbers	4.314	0.025	0.528	-0.829	4.038
Growth Fund	0.166	0	0	0	0.166
<b>2022-23 initial DSG before academy recoupment and high needs place deduction</b>	<b>257.967</b>	<b>1.983</b>	<b>51.371</b>	<b>21.459</b>	<b>332.780</b>

The changes since the last Schools Forum meeting are in relation to pupil number changes and Growth Fund. The change in pupil numbers is detailed in the table below: -

	Primary	Secondary	Total
<b>Pupil Numbers: -</b>			
October 2020	27,967.5	19,158.5	47,126.0
October 2021	28,058.0	19,794.0	47,850.0
Change in Numbers	+90.5	+635.5	+724.0
<b>Funding: -</b>			
Unit Value	£4,714.23	£6,114.72	47,126.0
October 2021	28,058.0	19,794.0	47,850.0
<b>Change in Funding</b>	<b>+£0.427m</b>	<b>+£ 3.887m</b>	<b>+£4.314m</b>

As part of the Spending Review additional monies were announced for Education, however this was too late to amend the DSG because the unit values for each local authority had already been finalised through the national funding formula. The additional monies therefore will be paid as a separate grant and details of the grant will be set out later in this report.

As the Supplementary Grant will be paid separately, the funding formula for Bolton will be set utilising the DSG.

### **3. Schools Funding Formula Consultation**

A briefing webinar was held on 2nd December for all schools. Headteachers, governors and business managers were invited and there were 117 attendees.

There were 10 responses to the consultation, 7 primaries and 3 secondaries.

Responses relating to the funding formula are summarised below: -

<b>Proposal</b>	<b>Number of Responses that Agreed</b>	<b>Number of Responses that Disagreed</b>
Minimum Funding Guarantee (MFG) of 2% per pupil	10	0
Adopt National Funding Formula Unit Values	10	0
Transfer of 0.5% of the schools block into the high needs block	10	0

The table indicates that there is agreement with the proposals.

The following paragraphs seek Schools Forum approval of the 2022-23 budget proposals based on the results of the consultation.

### **4. Minimum Funding Guarantee (MFG) of 2% per Pupil**

The MFG at national level is an increase of 2.0% per pupil and locally implementation can be an increase between 0.5% and 2.0% per pupil.

Implementing an MFG at 2% would mean that all schools would be guaranteed this increase and would be in line with the Schools Forum principle of protecting the lowest funded schools at the highest possible level

16 schools in Bolton would attract this protection as all the other schools would have increases above 2% per pupil.

### **5. Transfer 0.5% of Schools Budget to High Needs**

Local authorities can continue to be able to transfer up to 0.5% of their Schools block to other blocks of the DSG, with Schools Forum approval.

The consultation proposed that National funding formula values be adopted and a transfer of 0.5% to the High Needs Block. The funding available means it is possible to adopt the NFF factors in full and to use the area cost adjustment as the contribution to High Needs. This means that schools will be able to identify NFF factor values when benchmarking.

If the area cost adjustment is used as the High needs transfer it means that the full 0.5% will not be transferred, however: -

- this recognises that additional funding is being received from the Government for High Needs
- It keeps the main NFF values intact and therefore provides for a simple and transparent funding formula.

The transfer value would be £995,533, 0.39% of the Schools Block, and the calculation is set out below: -

<b>Transfer to High Needs Block</b>		
	£	£
DSG Schools Block		257,967,270
Maximum Transfer to High Needs	0.5%	1,289,836
Transfer Requested	0.39%	995,533
Difference		294,303

It should be noted that ongoing increased demand results in the continuation of the deficit position, and that the transfer will be time limited as this would not continue when the full national funding formula is in operation.

## **6. 2022-23 Formula Details**

The final consultation question in relation to the funding formula was to adopt the National Funding Formula unit values. This is in line with the Schools Forum principle of continuing to move towards the national funding formula so that Bolton schools would not suffer unnecessary turbulence when the full formula is introduced and would be best placed for the transition.

As set out in the previous paragraph all unit values proposed are at the same level as in the national funding formula, except for the application of the area cost adjustment.

The table at Appendix A compares the 2022-23 formula to 2021-22, both in unit values and data changes.

## **7. Growth Fund**

The growth fund allocation is £2.1 million, some of this funding is for implicit growth, this is where pupil numbers are amended within the formula for new and growing schools.

There is now only one school that this applies to:-

- Kings Leadership Academy – opened in September 2019 and is adding a year group each year. All year groups will operate from September 2023

The above adjustment will utilise £0.7m of the Growth fund. The balance of the Growth Fund that is available will create a growth pot for existing schools where they are asked by the Local Authority to increase the PAN to address basic need.

The allocation of funding to schools for growth will be based on the value within the national formula: -

Primary Schools	£1,485 per pupil
Secondary schools	£2,200 per pupil

## **8. Reconciliation to DSG Schools Block**

As set out in section 2 the Schools Block DSG is £257,967,000. It has been allocated as follows: -

<b>Reconciliation of Schools Block</b>	<b>£</b>	<b>£</b>
DSG Schools Block		257,967,000
Allocated:-		
Distributed to schools through the Formula	253,425,700	
0.39% transfer to High Needs Block	995,500	
Withheld for Business Rates	2,129,500	
Growth Fund Available	1,416,300	
		257,967,000

From 2022-23 business rates will be paid for all schools direct from the DSG as one payment, therefore will not be allocated to individual school budgets.

## **9. De-delegation**

Schools Forum is allowed to retain funding centrally for some services on behalf of all maintained primary and secondary schools where they believe this will be of benefit to the children within Bolton. The process is that funding is delegated to schools and then maintained schools buy back globally into the service. Academies can buy back into these services via a Service Level Agreement.

A summary of the results of the consultation were as follows: -

<b>Dedelegation Consultation Results</b>		
<b>Proposal</b>	<b>Number of Responses that Agreed</b>	<b>Number of Responses that Disagreed</b>
Maternity	9	1
Libraries & Museums	9	1
Free School Meal	10	0
CLEAPSS	10	0
Partnerships	7	0

The above responses relate to maintained schools as the de-delegation decision of the Schools Forum only relates to that sector and it is proposed that de-delegation continues in 2022-23 for each of the services.

Final values for the proposed de-delegation for maintained schools are in the table below: -

<b>Dedelegation Values</b>					
	<b>Primary per pupil</b>	<b>Primary Total</b>	<b>Secondary per pupil</b>	<b>Secondary Total</b>	<b>Total</b>
	£	£	£	£	£
Maternity	30.0	612,480	35.0	240,835	853,315
Schools Library Service	9.25	188,848	0.00	0	188,848
Schools Museum Service	1.00	20,416	0.20	1,376	21,792
Free School Meals Eligibility	9.00	42,280	11.30	17,425	59,705
Partnerships	1.40	28,582	0.00	0	28,582
CLEAPSS	0.15	3,062	0.25	1,720	4,782

The cost per pupil has remained the same in 2022-23 as it was in 2021-22 for all services.

An SLA for each service will be offered to Academies at the same amount per pupil.

### **10. Central School Services Block**

The central school services block (CSSB) funds local authorities for the statutory duties they hold for both maintained schools, and academies.

As set out in section 2 the Central Schools Services Block has seen an increase of £22,000, the increase is mainly due to pupil numbers and the increase in formula funding for on-going responsibilities. Within the block, however, there is a reduction of the historic commitments' element, this is a planned phasing out to remove these budgets and work is being done on how to manage this impact within Bolton.

In the meantime, the net increase in the Central Schools block means that funding can be maintained while this work is ongoing.

Appendix B details the budgets within the Central Schools block for 2022-23.

## **11. Early Years Block**

There is a requirement for all local authorities to: -

- Have a local Early Years Single Funding Formula model that allocates funding on one singular base rate
- Set up a SEN Inclusion Fund; and
- Pass through 95% of the funding to providers

Bolton is fully compliant with the regulations.

### **Early Years Funding Rates**

In the Spending Review increases were announced for the early years entitlements for local authorities to increase the hourly rates paid to childcare providers. The settlement reflects cost pressures, as well as anticipated changes in the number of eligible children.

The increases in hourly funding for 2022-23 is as follows: -

- 21p per hour for 2-year-olds.
- 17p per hour for 3- and 4-year-olds

It is proposed to passport this increase in full to providers, ie to increase the base rates to providers by the same value per hour as received from the Government.

The new hourly rates will be: -

Early Years Rates					
				2021-22	2022-23
				per hour	per hour
3 & 4 year old universal			Base Rate	£ 4.14	£ 4.31
			Deprivation	£ 0.38	£ 0.38
3 & 4 year old additional 15 hours			Base Rate	£ 4.14	£ 4.31
3 & 4 year old universal Nursery Schools			Base Rate	£ 5.07	£ 5.24
			Deprivation	£ 0.86	£ 0.86
2 year old				£ 5.26	£ 5.47
Early Years Pupil Premium				£ 0.53	£ 0.60
				per year	per year
Disability Access Fund				£ 615	£ 800

## Central Expenditure

A regulatory requirement within the early years reforms is to passport 95% of funding to providers, i.e., a maximum retention of 5% for central functions.

Bolton's central expenditure is £965,000 which is within the permitted level.

The expenditure includes a range of support to providers to improve early years outcomes through improving quality; it also enables the Local Authority to manage the sufficiency and take up of places.

## **12. High Needs Block**

The 2022-23 High Needs Block will be £5.261m higher than the 2021-22 allocation, as set out in section 2.

In addition to this increase in DSG a supplementary grant will be received and is estimated at £1.9m

As reported at Quarter 2 the projected 2021-22 position is an in year overspend of £1.8m, which will increase the cumulative overspend to £18.3m. The Schools Forum will continue to be informed on the action plan on an ongoing basis, and in detail through the Formula Review Group.

## Special Schools

In Bolton the increase in Special Schools budgets is 5% and this is based on the comparable increases in the mainstream schools: -

- 2% increase in minimum funding guarantee
- 3% increase in the basic entitlement through the supplementary grant.

The increase will also be applied to resource provisions in mainstream schools.

The table in Appendix C sets out the top up rates for special schools in 2022-23.

The Teachers pay and pensions grant will continue to be paid as a separate payment to Special Schools, based on how it is received in the DSG using October census data.

## **13. Supplementary Grant**

As discussed earlier in the report a Supplementary Grant is being introduced in 2022-23 to allocate additional monies from the Spending review. It will then be baselined into the DSG and funding formula from 2023-24.

The grant is to fund the Health & Social Care Levy (through a national insurance Increase) and other cost pressures.

The grant for Bolton is estimated at £7.4m for schools and £1.9m for High Needs. The allocations won't be confirmed until Spring as census data for January will be used for Early Years, however unit values have been published: -



<b>Schools Supplementary Grant</b>		<b>Primary</b>	<b>Secondary</b>
Per Pupil	Early Years	£24	
	R-Y6	£97	
	KS3		£137
	KS4		£155
Lump Sum per School		£ 3,680	£ 3,680
FSM6 per pupil		£ 85	£124

#### **14. Pupil Premium**

The table below sets out the pupil premium rates for 2022-23, alongside the rates for 2021-22.

<b>Pupil Premium Grant rates per pupil</b>		<b>2021-22</b>	<b>2022-23</b>
Ever6 FSM	Primary	£ 1,345	£ 1,385
	Secondary	£ 955	£ 985
LAC		£ 2,345	£ 2,410
Post LAC/Adopted		£ 2,345	£ 2,410
Service Children		£ 310	£320

#### **15. Communication to Schools**

It is important that schools are aware of, and understand, the reasons that their budgets change from year to year. Head teachers and Chairs of Governors will be sent a letter detailing the 2022-23 budget and setting out the following information:-

- demographic changes for example pupil numbers
- inflation
- changes having no net impact on the budget, for example rates

#### **16. Recommendations**

The Schools Forum is asked to comment on the Budget Report; and to recommend for approval by the Executive Member: -

	<b>Recommendation</b>	<b>Able to Vote</b>
1.	Adopt a minimum funding guarantee of 2% per pupil (section 4)	School and PVI representatives
2.	Transfer up to 0.5% of the Schools Block to the High Needs Block, by not including the Area Cost adjustment within the formula (section 5)	All Schools Forum Members
3.	Approve the 2022-23 unit values in appendix A (section 6)	School and PVI representatives
4.	Approve the Growth Fund Criteria (Section 7)	All Schools Forum Members
5.	De-delegation levels (Section 9) <ul style="list-style-type: none"> <li>- Maternity Primary</li> <li>- Maternity secondary</li> <li>- Schools Library service Primary</li> <li>- Schools Museum Service Primary</li> <li>- Schools Museum Service Secondary</li> <li>- FSM eligibility checking Primary</li> <li>- FSM eligibility checking Secondary</li> <li>- Partnerships Primary</li> <li>- CLEAPSS Primary</li> <li>- CLEAPSS Secondary</li> </ul>	Maintained Primary and Secondary School members by phase
6.	- Central School Services expenditure (Section 10)	All Schools Forum Members
7.	- Early Years central expenditure (Section 11)	All Schools Forum Members

APPENDIX A - FORMULA UNIT VALUES								
		2021-22	2022-23	Increase	%	2021-22 Data	2022-23 Data	Change
<b>1. BASIC ENTILEMENT</b>								
	Primary	£ 3,123	£ 3,217	£ 94	3.0%	28,001	28,059	58
	Secondary							
	KS3	£ 4,404	£ 4,536	£ 132	3.0%	12,077	12,153	76
	KS4	£ 4,963	£ 5,112	£ 149	3.0%	7,262	7,749	487
<b>2. DEPRIVATION</b>								
FSM	Primary	£ 415	£ 470	£ 55	13.2%	6,902	7,177	275
	Secondary	£ 415	£ 470	£ 55	13.2%	4,542	5,067	526
FSM6	Primary	£ 575	£ 590	£ 15	2.6%	7,678	7,755	77
	Secondary	£ 840	£ 865	£ 25	3.0%	6,195	6,249	54
IDACI								
	Primary							
	IDACI Band G	£ -	£ -	£ -	-	10,128	10,161	33
	IDACI Band F	£ 215	£ 220	£ 5	2.3%	2,799	2,779	- 20
	IDACI Band E	£ 260	£ 270	£ 10	3.8%	4,936	4,975	39
	IDACI Band D	£ 410	£ 420	£ 10	2.4%	2,275	2,257	- 17
	IDACI Band C	£ 445	£ 460	£ 15	3.4%	3,041	3,056	15
	IDACI Band B	£ 475	£ 490	£ 15	3.2%	2,508	2,518	10
	IDACI Band A	£ 620	£ 640	£ 20	3.2%	2,315	2,314	- 2
	Secondary							
	IDACI Band G	£ -	£ -	£ -	-	7,318	7,447	129
	IDACI Band F	£ 310	£ 320	£ 10	3.2%	1,743	1,818	76
	IDACI Band E	£ 415	£ 425	£ 10	2.4%	3,443	3,585	142
	IDACI Band D	£ 580	£ 595	£ 15	2.6%	1,597	1,683	86
	IDACI Band C	£ 630	£ 650	£ 20	3.2%	1,989	2,052	63
	IDACI Band B	£ 680	£ 700	£ 20	2.9%	1,696	1,752	57
	IDACI Band A	£ 865	£ 890	£ 25	2.9%	1,553	1,565	12
<b>3. PRIOR ATTAINMENT</b>								
	Primary	£ 1,095	£ 1,130	£ 35	3.2%	9,271	9,040	- 231
	Secondary	£ 1,660	£ 1,710	£ 50	3.0%	4,279	4,521	241
<b>4. EAL</b>								
	Primary	£ 550	£ 565	£ 15	2.7%	4,738	4,950	213
	Secondary	£ 1,485	£ 1,530	£ 45	3.0%	781	917	137
<b>5. MOBILITY</b>								
	Primary	£ 900	£ 925	£ 25	2.8%	140	333	193
	Secondary	£ 1,290	£ 1,330	£ 40	3.1%	17	57	40
<b>6. LUMP SUM</b>								
	Primary	£ 117,800	£ 121,300	£3,500	3.0%	97	97	0.00
	Secondary	£ 117,800	£ 121,300	£3,500	3.0%	20	20	0.00
<b>7. SPLIT SITE</b>								
		£ 120,772	£ 120,772	£ -	0.0%	1.00	1.00	0.00

<b>Appendix B - Central Schools Block</b>			
	2021-22	2022-23	
Central Licences	£247,900	£260,800	These licences are negotiated by the Secretary of State on behalf of all schools and relate to Copyright. Schools Forum approval is not required.
<b>Ongoing Commitments</b>			
	2021-22	2022-23	
Servicing of Schools Forum	£27,300	£27,300	This is mainly officer time.
Admissions	£259,100	£259,100	Admissions service
Contribution to responsibilities that Local Authorities hold for all schools	£720,000	£729,100	Education Welfare, Asset Management and Statutory/Regulatory duties
Teacher Pay and Pensions Grant – Centrally Employed Teachers	170,500	170,500	Funding for Local Authority centrally employed teachers previously funded by grant, e.g., Music service
<b>Combined Services/Historical Commitments</b>			
budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into: -			
	2021-22	2022-23	
Schools in Financial Difficulty	£169,500	£169,500	School to School Support Managed by the Strategic Executive Committee of the Primary Headteachers Partnership and Bolton Learning Partnership  Schools Finance Unit Support to schools in deficit over and above the core service.
Safeguarding	£114,700	£114,700	To assist schools with their safeguarding duties.
Audit	£54,700	£54,700	Additional Audit resource for Schools
Music	£101,400	£101,400	Contribution to Music Service
Regeneration & Partnerships	£45,200	£45,200	Support to schools in obtaining external funding through grant applications and training of business managers
Integrated Working	£50,500	£50,500	Supports posts within Families First programme and Multi agency working for children to access school
<b>Central Schools Block</b>	<b>£1,960,800</b>	<b>£1,982,800</b>	

<b>Appendix C - Special School Top Ups 2020-23</b>			
Category of Need	Place Funding per Pupil	Top up Funding per Pupil	Total Funding Per Pupil
	£	£	£
MLD – Level 1	10,000	1,203	11,203
MLD – Level 2	10,000	27,198	37,198
SLD – Level 1	10,000	3,646	13,646
SLD – Level 2	10,000	29,835	39,835
PMLD – Level 1	10,000	15,017	25,017
PMLD – Level 2	10,000	33,350	43,350
ASD – Level 1	10,000	15,017	25,017
ASD – Level 2	10,000	33,350	43,350
SEMH – Level 1	10,000	10,931	20,931
SEMH – Level 2	10,000	41,484	51,484
HI – Level 1	10,000	8,262	18,262
HI – Level 2	10,000	12,704	22,704
HI – Level 3	10,000	17,146	27,146