

SCHOOLS' FUNDING FORUM

SUBJECT:	School Budgets Update 2022-23 to 2024-25
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SUMMARY OF REPORT:	
Following the Spending Review, this paper summarises the recent announcements on school budgets for 2022-23 including both the Dedicated Schools Grant and Supplementary Fund.	
FOR:	Update and discussion

1. Dedicated Schools Grant Settlement 2022-23

- 1.1 In July 2021 the DFE announced the 2022-23 indicative allocations for the Dedicated Schools Grant (DSG). This was used as the basis for agreeing the recommendations for setting the primary and secondary school budgets in 2022-23 including the ongoing requirement to transfer 1% from the schools to the high needs block to support inclusive practices activities centred around the implementing the themes set out in the County Approaches to Inclusive Education (CATIE).
- 1.2 In December, the DFE updated these allocations for the latest pupil numbers and confirmed the Early Years indicative allocations. The main changes to the primary & secondary schools budget were:
- Most factors values due to increase 3% except Minimum Per Pupil Funding Levels (MPPFL) due to increase by 2%
 - Change in sparsity criteria (distance to be measured based on roads travelled rather than “as the crow flies”). Increase in maximum rate by £10,000.

Block	2022-23 £m	2021-22 £m	Gross Change £m
Schools Block	1,129.2	1,079.5	+49.7
CSSB	11.5	11.8	-0.3
High Needs Block	272.2	249.0	+23.2
Early Years Block	88.0	88.4	-0.4
Total	1,500.9	1,428.1	72.8

- 1.3 The autumn 2021 spending review included an additional £1.6 billion funding for schools and high needs, for the 2022 to 2023 financial year, this is in addition to the funding already announced in July. Details have recently been published.

2022-23 Kent Dedicated Schools Grant (DSG) and Supplementary Funding				
Schools (primary & secondary)	High Needs	Early Years	Central Services Schools Block	CSSB Historic
£1,129m + £33m*	£272m +10m*	£88m	£7.9m	£3.6m
Average per pupil rate increase 3% (now 6% with supp grant) 1.5% increase in number of pupils funded	9.3% increase (now 12% with supp grant)	17p increase for 3&4-year olds (3.7%) 21p increase 2-year olds (3.9%) 7p increase EYPP £185 per child increase DAF	7.1% increases (Average unit of funding increase 5.6% 1.5% increase in no of pupils)	20% reduction

*Supplementary fund

2. **Supplementary Funding**

- 2.1 In the 2022 to 2023 financial year, schools will be allocated £1.2 billion of this additional funding, to provide support for the costs of the Health and Social Care Levy and wider cost pressures. This funding will be allocated through the Schools Supplementary Grant 2022 to 2023. Grant allocations for individual schools will be based on a national formula and will be published in Spring 2022. The expectation is this funding will be rolled into the main school budget formula in 2023-24 onwards. This grant is not ring-fenced. Funding will be allocated on a combination of: basic per pupil rate, lump sum & number of ever 6 free school meal pupils (plus area cost adjustment) for pupils aged 5-16 (with different rates for primary & secondary aged pupils) using the October 2021 census. This will equate to an additional average increase of 3% per pupil (in addition to the average 2-3% increase from the July settlement).
- 2.2 Early years provisions and 16-19 provisions in schools will also receive an additional rate per pupil (Jan 2022 census data) to cover the health & social care levy only but all Early years PVI providers will not receive any additional funding as the grant is only payable to public sector employers. This approach seems to contradict their own advice that we must treat all providers of early years equally and not provide differential rates in our Early Years Funding Formula for 3 & 4 year olds free entitlement and Free for 2.
- 2.3 In addition, £325 million extra funding will be allocated to the high needs block for 2022 to 2023, on top of the dedicated schools grant high needs block allocations, calculated under the national funding formula. This includes funding for the Health and Social Care Levy and wider cost pressures in special schools and alternative provision however local authorities are free to agree how this is spent including agreeing any increases paid as part of the top-up funding for high needs budgets (no further guidance).

	DSG 22-23	Supplementary Fund	DSG + Supplementary Grant 22-23	Total Increase from 21-22 baseline
Mainstream	£1,129m	£33m	£1,162m	6% per pupil

Schools				
High Needs	£272m	£10m	£282m	12%

3. **Future Year Funding 2023-24 and 2024-25**

- 3.1 The Autumn Spending Statement also set out the intention for school funding to increase by a total of £4.7b above the original 22-23 commitments by 2024-25. This is expected to cover costs including increasing starting teacher's salary to £30k.
- 3.2 The DFE have not yet split the total funding for 23-24 and 24-25 between Schools, High Needs and CSSB. However, recent guidance from the DFE have confirmed Local Authorities should expect the average increase for the High Needs Block to increase by 5% in 23-24 and 3% in years after for planning purposes. This will add further pressure to the Kent's deficit recovery plan as it had been assumed a continual increase of 8% over the same period.

Schools, High Needs & CSSB National Summary	19-20 £bs	20-21 £bs	21-22 £bs	22-23 £bs	23-24 £bs	24-25 £bs	Increase £bs
Total School budget	44.4	47.6	49.8	52.2	55.3	56.8	
Previous Committed increases in funding (Autumn 19)		2.6	2.3	2.2			7.1
Autumn 21 Statement increases in funding				1.6	1.5	1.5	4.7*
<i>High Needs Block increases</i>		<i>0.8</i>	<i>0.8</i>	<i>0.8+0.3</i>	<i>0.45?</i>	<i>0.3?</i>	

*there are rounding differences!

- 3.3 Early Years block is recorded separately, the Chancellor confirmed increases in the funding for Early Years Entitlements worth £160 million in 2022-23, £180 million in 2023-24 and £170 million in 2024-25, compared to 2021-22. In previous years the increases had been limited: in 2021-22 the increase was just £44 million. However, this suggests that although providers are set to see a higher increase in 22-23, there will be no further increases in 23-24 and 24-25. Further information on the increase in rates used to calculate the Early Years Block can be found under item 4 of the agenda.

4. **COVID Recovery Funding**

- 4.1 COVID recovery is also recorded separately, a total of £4.9b has been agreed since academic year 2020-21. This includes:
- £0.650b catch up premium paid directly to schools (20-21 academic year)
 - £0.3b Recovery premium (targeted to disadvantaged children) paid directly to schools (21-22 academic year)
 - £0.2b Holiday Education: Secondary summer schools (21-22 academic year)
 - £1b Education Recovery directly paid to schools (22-23 & 23-24 academic years): primary schools will continue to receive same rate as 21-22 academic year whilst secondary rate will double.
 - £0.8b (22-23 & 23-24 academic years) 16-19 extra 40 hours of education over the academic year
 - £0.150b training of early years staff to support children's learning and development

- £1.4b delivering up to six million tutoring courses for disadvantaged pupils and to expand existing teacher training and development, progressing the government's ambition to train up to 500,000 teachers over three academic years

5. Schools Improvement and Brokerage Grant

- 5.1 The Government has confirmed its intention to end the School Improvement and Brokerage Grant with 50% reduction expected in 2022-23, with full re-withdrawal in 2023-24. Detailed allocations have yet to be published but likely impact is: Original estimated 22-23 grant £1,063,200 so 50% reduction is around £530,000 reduction in grant. The DFE response to the consultation included the expectations that in future Local Authority school improvement services are largely, if not all funded by schools.

6. Pupil Premium

- 6.1 Pupil Premium rates have been increased by 3%.

7. Summary of the Pay Arrangements

7.1 National Insurance Increase

- Additional 1.25% increase in employer's National Insurance Contributions for the Health & Social Care Levy from April 2022.

7.2 *Teachers Pay*

- The Government published the School Teachers Review Body (STRB) remit, covering a two year pay award period, late on Friday 17 December
- Requests a plan on how to deliver the £30,000 starting salary commitment and how this should be balanced against other parts of the pay framework.
- STRB have been asked to look at a 'significant, but sustainable' increase in pay for experienced teachers with the aim of 'moving towards a relatively flatter pay progression structure.
- Currently main scale starting salary is £25,714 (maximum for qualified is £36,961). Therefore, an increase of nearly 17%.
- Its not clear how this will be achieved nor what "flatten structure" may look like. Significant amount of additional funding is being made available in mainstream school budgets for 22-23 therefore, it is more likely a significant step will be taken to achieve the Government aims.

7.3 *Support Staff*

- Net additional cost of proposed Total Contribution Pay (TCP) award for Kent scheme staff subject to discussions with trade unions or subject to pay bargaining (the provision in KCC budget proposals would equate to 3% successful award for the majority of staff). The outcome is not expected to be known until after the Schools Funding Forum on 20th January.
- Allow minimum pay point for Kent scheme to increase to £10 per hour (increasing the current differential between the lowest pay range (KR3) and Foundation Living Wage
- An additional day's leave added to the basic entitlement for grades KR3 to 12