

School Budgets Allocation 2022/23

Key Messages

Forum members are asked to note:

- I. That the Government's Spending Review 2021 has provided an increase in Dedicated Schools Grant (DSG) for 2022/23 of £26.13m, in total, to enable local authorities to move further towards the National Funding Formula (NFF). This includes the additional £3.29m High Needs Funding announced after the spending review.
- II. In comparison to 2021/22, Sheffield has received an increase in Schools Block of £13.2m, £2.7m of this was due to an increase in pupil numbers overall.
- III. The Supplementary Fund is an additional grant of £12m, introduced for 2022/23 to support the Health & Social Care Levy, plus other cost pressures schools face such as energy and inflation. In 22/23, this will be provided as grant funding,
- IV. Rates funding is no longer allocated direct to schools, but does form part of the overall DSG. The Department for Education (DfE) is to recoup rates funding for estimated 2022/23 rates bills.
- V. The consultation by the DfE during the summer term 'The fair school funding for all: completing our reforms to the National Funding Formula' results are still not yet published, but this did encourage Local Authorities (LAs) to move towards the NFF as much as possible, prior to formal implementation.
- VI. 2022/23 is now the fifth year of the planned transition towards the NFF – the overall approach is to maintain stability in the funding system whilst moving towards the NFF.
- VII. School budgets have been produced on the basis of the agreed transition process towards the NFF. There is currently no indication from Central Government of when the NFF should be fully implemented, although the consultation did suggest tightening up of factor values and premises upto 2024/25.
- VIII. The principles referred to in Section 1.6 have been used, as agreed at the December 2021 Forum, to finalise the 2022/23 budget allocation.
- IX. The agreed movement of £1.5m to the High Needs Block to increase investment in localities, by redirecting funding to support inclusion, and increase access to local mainstream schools.
- X. That Sheffield has received £2.29m growth funding for 2022/23 through the formula, of which £671k is required to support in-year growth for new and growing schools, leaving £1.6m available for basic need growth.
- XI. That the Overall school budget for academies and schools is set at £395.9m, to include rates.
- XII. The Expected Pupil Premium of £31m for all Sheffield pupils to include special schools. The rates for 2022/23 have increased, plus the Census date for capturing eligibility changed from the January Census to the October Census.
- XIII. The Continuation of Covid Recovery Grant over 2021/22 and 2022/23 academic years.
- XIV. The Overall £ per pupil average for primary and secondary at £5,364 - an increase of £183 (3.5%) per pupil, over and above 2021/22 figures. (£5,910 – 5.5% to include PFI, pupil premium and the supplementary grant).

- XV. That the reduction of £759k in historic commitments element of Central School Services Block (CSSB) has been replaced by the Council providing funding from its income as in the previous year to seamlessly continue the services funded through the CSSB.
- XVI. The Continuation of de-delegated budgets, and also refer to Paper 5a on de-delegation for School improvement details.

1 Introduction/background

- 1.1. This paper summarises the settlement for Sheffield's Dedicated Schools Grant (DSG) and details the budgets for all of Sheffield's primary and secondary schools. This comprises of the Individual Schools Budget (ISB) which is the principal part of the Schools Block, plus the Individual Special School Budgets (ISSB) which relate to the High Needs Block.
- 1.2. It also describes the central budgets retained by the Local Authority, which come under the de-delegated items and which continue to be agreed by the Schools Forum, originally approved on 20 February 2013, with the introduction of a new item School Improvement, which is requested to be de-delegated as per Paper 5a.
- 1.3. Sheffield's school population is showing signs of a slow-down, and the peak of pupil numbers is continuing within the secondary sector in 2022/23, however primary pupil numbers continue to fall. Our pupil numbers overall at mainstream schools have increased from 73,436 to 73,809 – an increase of 373 (0.5%) pupils. Primary numbers have fallen by 179 (-0.4%) and secondary increased by 549 (+1.9%).
- 1.4. The overall projected DSG settlement for 2022/23 is £528m compared to £502m in 2021/22. The increase of £26m relates to the continuation of the 'soft' implementation of the National Funding Formula (NFF), the increase in school pupil numbers, plus the DfE announced additional High Needs Funding after initial DSG allocations were published:

| Funding Blocks | 2021/22 £m | 2022/23 £m | Variance £m |
|--|-----------------------|-----------------------|------------------------|
| School Block | 385.76 | 398.99 | 13.23 |
| Central School Services Block | 6.33 | 5.73 | -0.60 |
| Early Years Block (provisional) ¹ | 34.33 | 35.43 | 1.10 |
| High Needs Block (provisional + Additional) | 75.49 | 87.89 | 12.48 |
| Total | 501.91 | 528.04 | 26.13 |

- 1.5. Overall DSG has increased due to additional funding announced through the spending review and the continuation of the 'soft implementation' of the NFF. Shown below are the reasons for variance across various blocks compared to last year:

¹ Early Years latest figure for 2021/22, incorporating Summer and Autumn headcounts, DSG still to be adjusted for Spring 22 Term.

1.5.1. **Schools Block**

Additional funding has been received due to the continuation of the 'soft' implementation of the NFF and increase in pupil numbers. Of the total increase in the Schools Block of £13.2m, an increase of £2.7m was due to increases in Sheffield pupil numbers.

1.5.2. **Early Years Block**

The Early Years funding for 2022/23 - income from the Education and Skills Authority (ESFA) - is again based on the usual methodology of the actual pupil numbers and is adjusted up/down based on the actual take-up. Further details are available in Paper 4. DSG for 2021/22 was adjusted due to the pandemic and Sheffield was funded based on the headcount for each term instead of the standard 7/12th 5/12th January Census points.

The initial indication of DSG for Sheffield has increased by £1.1m in comparison to 2021/22 due to additional funding received in the spending review. However, birth rates are lower and take up will start to follow this trend in future years.

1.5.3. **High Needs Block**

As with Schools Block, the soft implementation of the High Needs Funding Formula has brought additional funding into the Local Authority of £9.1m. Plus, the additional funding announced after the spending review of £3.29m.

However, the population element of the High Needs NFF allocation to each authority has been capped at 11% against 2021/22 baselines.

1.6. The following principles and approach used to calculate 2022/23 school budgets were discussed and agreed at the December 2021 Forum meeting and will continue to move us significantly (proportionately) closer to the NFF:

1.6.1. Maintain the national level Primary/Secondary sector ratio of 1:1.29 as per the NFF

1.6.2. Keep Age Weighted Pupil Unit (AWPU) Stable in Primary and in line with NFF for Secondary

1.6.3. Ensure ALL schools gain by optimising use of Minimum Funding Guarantee (MFG).

1.6.4. Re-align Social Deprivation more with the NFF as closely as possible subject to affordability.

1.6.5. Introduce the Sparsity Factor in line with the NFF.

1.7. We have updated the indicative budget models with October 2021 Census information and final Schools Block allocation.

1.8. In line with the Forum decision, there has been a redirection of £1.5m, from the Schools Block to the High Needs Block, to increase investment in localities by redirecting funding to support inclusion and increase access to local mainstream schools.

1.9. As pupil numbers are increasing in the secondary sector, this has resulted in an overall cash increase percentage split of 35% for primary and 65% for secondary schools. Whilst maintaining the NFF ratio of 1:1.29 and ensuring that the majority of factors are in line with the NFF, this ensures stability in the system whilst preparing us for full implementation in future years.

| | School Budgets £m | Growth £m |
|---|------------------------------|----------------------|
| Schools Block - Income | 398.99 | |
| Less Growth | -2.29 | 2.29 |
| Add Growth used for new and growing schools | +0.67 | -0.67 |
| Transfer to High Needs Block | -1.50 | |
| | 395.87 | 1.61 |

2 Funding Formula 2022/23

2.1. Key changes in 2022 to 2023, in addition to Sheffield starting to align Social Deprivation factors with the NFF:

2.1.1. **RATES** – Schools will no longer pay rates bills. The DfE will be paying all rates bills direct from April 2022. The DfE will recoup DSG based on their estimated cost of the 2022/23 rates charges.

Schools will still have a rates allocation within their budget share but will not receive any related funding, as schools will still be the accountable body and will still need to account for rates in their year-end accounts. All schools will receive a copy of the rates bill, but schools **MUST NOT PAY** this bill. If schools do pay the bill in error, they must contact the billing authority Business Rates section direct to claim the refund, which may take longer due to the new process. The Business Rates contact is: business.rates@sheffield.gov.uk

2.1.2. **Sparsity** – Sheffield have now introduced the Sparsity Factor in line with the NFF, which is for small rural schools. There are now two primary schools that benefit from this introduction with a total amount of £20k allocated through this factor.

Schools receive funding based on a combination of being more than 2 miles from the nearest school and having an average year group size of 21.4 or under. A tapered allocation can be triggered if the year groups are under the threshold level, but the distance is greater than 1.6 miles.

No secondary schools in Sheffield are eligible for this funding due to year group sizes. The threshold for secondary is an average year group size of 120 and a distance threshold of 3 miles, with a distance taper of 2.4 miles.

2.2. The DfE has issued revised guidance for the 2022/23 Revenue Funding Arrangements and we have used this framework for resource allocation.

2.3. The final data was released in December 2021 and contained October 2021 Census data for the 2022/23 final budget. All financial modelling is carried out using the DfE's "Authority Pro-forma Tool" which automatically calculates the pupil factors and MFG.

2.4. The new 'Schools Revenue Funding 2022 to 2023 Operational Guidance' from the ESFA applied to 2022/23 school budgets and confirms that:

Pupil-led Factors will be at least 80% of the delegated Schools Block funding allocated through an appropriate and locally determined combination of the pupil-led factors. These factors include AWPU, Deprivation, Prior Attainment, English as an Additional Language and Pupil Mobility. In 2022/23 Sheffield will delegate at least 92% through pupil-led factors.

- 2.5. **Basic Entitlement (Compulsory Factor)** will be as 2021/22 with minimum values of £2,000 for primary and £3,000 for secondary (KS3 and KS4). For 2022/23 Sheffield will be above these thresholds:

The AWPU rates for 2022/23 are as follows:

- Primary £3,413 (higher than NFF)
- Secondary KS3 £4,536 (in line with NFF)
- Secondary KS4 £5,112 (in line with NFF)

- 2.6. **Deprivation (Compulsory Factor)** – this is now one of three mandatory factors (along with the AWPU). The DfE are using the IDACI dataset from 2019.

The 2022/23 Census dataset maps the IDACI 2019 ranks to group each lower super output area (LSOAs, an area with typically about 1,500 residents) into one of six bands of decreasing deprivation.

The 2022/23 NFF uses ranks instead of scores to define bands. For example, band A comprises the most deprived 2.5% of LSOAs. The table below shows how the bands are defined in the 2022/23 NFF:

| IDACI data | Ranks | Band |
|--|---------------|------|
| Pupils in the most deprived 2.5% of LSOAs | 1 to 821 | A |
| Pupils in the next 5% most deprived LSOAs | 822 to 2463 | B |
| Pupils in the next 5% most deprived LSOAs | 2464 to 4105 | C |
| Pupils in the next 5% most deprived LSOAs | 4106 to 5747 | D |
| Pupils in the next 10% most deprived LSOAs | 5748 to 9032 | E |
| Pupils in the next 10% most deprived LSOAs | 9033 to 12316 | F |

Free School Meals (Ever6) following the change to the data used in the pupil premium, FSM6 data is now sourced from the October 2021 census instead of January.

In line with Forum agreement (December 2021), investment in social deprivation is being aligned with the NFF and increased by up to £5.01m to £37.9m, equating to 9.6% of the total Individual School Budget (ISB).

- 2.7. **Prior Attainment (Optional Factor)** – the primary indicator will include those who failed to achieve a good level of development. The DfE will continue to use the Early Years Foundation Stage Profile as the Prior Attainment factor for the distribution of funding.

For 2022/23, pupils would qualify for the Prior Attainment factor, where they have not achieved a good level of development (expected level of development in all 12 prime areas of learning as well as maths and literacy).

As in 2021/22, following the cancellation of assessments in summer 2021 due to COVID-19, the DfE has again used proxy measures. They carried out the following:

Primary: pupils in the autumn 2021 census in years 3 to 6 were matched onto the new EYFSP data using their unique pupil number (UPN). For pupils in years 1 and 2, as no tests were carried out in 2020 and 2021, the year 3 proportion was used where available. If the school had no year 3 pupils, then the local authority average for year 3 was used.

Secondary: for each of the years 9 to 11, only pupils who had undertaken the assessment had been considered in calculating each school's proportion. Pupils marked as absent or with a result other than those listed were excluded from this calculation. Pupils in years 9 to 11 in the autumn 2021 census who could not be matched onto the KS2 attainment data were also excluded. For pupils in years 7 and 8, as there were no tests in 2020 and 2021, the year 9 proportion was used where available. If the school had no year 9 pupils, then the local authority average for year 9 is used.

In line with Forum agreement (December 2021), investment in Prior Attainment has continued to be aligned with the NFF in £ per pupil terms. The amount allocated is now £26.6m (6.73%). The £ per pupil rates are now £1,130 Primary and £1,710 Secondary.

The 2016 KS2 assessments were the first to assess the new, more challenging national curriculum. At a national level, a higher number of the years 7, 8, 9, 10 and now 11 cohorts will be identified as having low prior attainment. A national weighting is used to ensure that these cohorts do not have a disproportionate influence within the overall total.

- 2.8. **English as an Additional Language (Optional Factor)** – funding distributed on the basis of the pupils' first three years in the school system.
- 2.9. **Pupil Mobility (Optional Factor)** – due to the cancellation of the summer 2020 census, mobility data in 2021 to 2022 Schools Block Data excluded pupils starting between January and May 2020 - the date starting at the school they are enrolled at on the October 2021 Census is now used to identify additional mobile pupils. Usually, methodology involves tracking individual pupils, using their unique pupil ID, through censuses from the past three years.

Funding will continue to be targeted only at those schools experiencing pupil mobility above a 6% threshold. Funding is allocated based on the proportion above this threshold e.g. if a school has 8% mobility, then 2% of its pupils would attract funding.

- 2.10. **Lump Sum (Optional Factor)** - funding is to support schools which are unavoidably small and require this support because per pupil funding alone is insufficient. The DfE does not want lump sum funding to be used as additional funding to schools which have fewer pupils on roll.

The lump sums can be different for primary and secondary schools. The maximum lump sum set by the DfE is £175k. For 2022/23, Sheffield's lump sum is in line with NFF at **£121,300** for both primary and secondary, as agreed at the Schools Forum (December 2021).

- 2.11. **Split Sites (Optional Factor)** - is to support schools which have unavoidable extra costs because the school buildings are on separate sites or they have a significant

geographical feature. Allocations must be based on objective criteria, both for the definition of a split site and for how much is paid.

One primary school (Gleadless) no longer occupies a split site and has therefore no longer qualifies for split site funding. We have applied an MFG Disapplication to ensure no further diluting of resources applies and the Schools Forum are asked to note and agree the MFG Disapplication applied.

- 2.12. **Rates (Optional Factor)** – Further to the consultation on changes to the payment process of business rates, the ESFA will pay business rates directly to billing authorities on behalf of all state funded schools from 2022 to 2023 onwards. Rates will still appear as part of a school's budget share for 2022/23 as schools will still be the accountable body and have to account for rates within their year-end accounts. Schools will still receive a copy of their rates bill, but **DO NOT PAY THIS BILL**, it may be difficult to obtain a refund if the bill is paid in error.
- 2.13. **Sparsity (Optional Factor)** has been introduced in Sheffield for the first time for 2022/23 as we are moving more in line with the NFF. There are only a couple of primary schools that are eligible which attract funding in total of approximately £20k between them. It focuses on the distance pupils have to travel to the next nearest school including the numbers of pupils on roll, enabling smaller schools in rural areas to receive additional funding.
- 2.14. **Minimum Funding Level (Compulsory Factor)** – this is a compulsory factor in a move towards introducing a 'hard' NFF.

Minimum funding levels are calculated based on all pupil-led funding only. It became mandatory in 2020/21 to exclude the premises factors, which means that all premises factors are removed prior to calculating the Minimum Funding Level a school should receive.

The calculation provides per-pupil funding of at least £4,265 for each primary school, and £5,525 for each secondary school with standard structures of seven and five year groups respectively.

For all-through schools and other new or growing schools with a non-standard year group structure, this will produce a specific minimum per pupil value that relates to the number of year groups in each phase.

There are still a number of primary and secondary schools that have qualified for this funding: 21 primary and 6 secondary schools require the uplift from this factor. The additional cost in comparison to 2021/22 is £0.3m.

- 2.15. **Minimum Funding Guarantee (MFG)** - the DfE has allowed a flexible threshold again which means local authorities can set a local MFG of between +0.5% and up to +2.00%. This funding will be based on the previous year's per pupil amount, based on pupil-led funding only.

The MFG for 2022/23 in Sheffield is set at +2.00%, allowing schools to benefit from the increased threshold. The cost of the MFG is £674k, an increase of £130k from 2021/22.

3 Primary and Secondary

3.1. The Individual School Budget (ISB) - primary and secondary - is the principal component of the Schools Block.

3.2. For 2022/23 this will be £396m (to include rates) compared to £382m in 2021/22.

3.3. The tables below provide a statistical analysis of 2022/23 school budgets. Further information is available in Appendix 1.

3.4. Overall Analysis

- Overall pupil numbers have increased by 0.51% (373 pupils).
- Pupils attending academies rising from 69.4% in 2021/22 to 71.2% in 2022/23.
- Overall ISB Increased by £13.5m from 2021/22.
- Academies share of overall Individual School Budget (ISB) has risen from 72.6% in 2021/22 to 74.3% in 2022/23.
- Maintained school share of overall ISB changing from 27.4% to 25.7% in 2022/23.

3.5. Primary Sector Analysis

- Overall pupil numbers have decreased by -0.4% (-176 net decrease).
- Pupils attending academies rising from 51.8% to 54.4%.
- Overall ISB increase of £4.7m from 2021/22 levels.
- Academies share of overall ISB rising from 52.9% to 55.5% in 2022/23.
- Maintained school share of overall ISB budget changing from 47.1% to 44.5% in 2022/23.

3.6. Secondary Sector Analysis

- Overall pupil numbers have increased by +1.9% (549 net increase, two new schools that opened in September 2018 are still growing).
- Pupils attending academies increased marginally to 96.18% in 2022/23.
- Overall ISB increase of £8.7m from 2021/22 levels.
- Academies share of overall ISB budget rising from 95.86% to 95.87%.
- Maintained school share of overall ISB budget remains marginally the same at 4.13% in 2022/23.

3.7. Overall Cash Gainers / Losers in Formula 2022/23

Shown below are the number of overall cash gainers and losers per sector. If a school is losing cash it is usually down to the school having fewer pupils compared to last year, and a school gaining cash is generally gaining pupils. Note: the large increase in cash in the secondary sector is a growing new secondary school.

- No. of primary schools gaining – 97 Max. gain is £229k.
- No. of primary schools losing cash 36 Max. cash loss £111k.
- No. of secondary schools gaining 28 Max. gain is £1.4m.
(£710k is highest for a secondary who is not new or growing – due to 74 pupil increase)
- No. of secondary schools losing cash – 2 Max. cash loss £151k.

4 School Budgets

- 4.1. The Minimum Funding Guarantee (MFG) has been applied in 2022/23. There was no gains cap applied this year. As there was local flexibility allowed this year, Sheffield could afford to set the MFG at the maximum level of +2.00%. This means all schools would gain funding, not less than or equal to +2.00%, on a comparable £ per pupil basis in 2022/23.
- 4.2. It should be noted that the MFG only applies to like-for-like budgets. The formula factors (Rates, Lump Sum) are excluded when applying the MFG (see Appendix 1 – Indicative School Budgets) and explain why some schools may show increases of less than +2.00%.
- 4.3. The cost of the MFG in 2022/23 is £673k.
- 4.4. A total of 43 Primary schools will receive funding through the MFG, with the average amount being £5k, no secondary schools require an MFG.
- 4.5. No gains cap has been set for 2022/23 therefore all schools, both primary and secondary are allowed to retain 100% of any gains through the funding formula.
- 4.6. Appendix 1 shows the indicative budget share for each school for 2022/23, £ per pupil and both the cash change and the per pupil % increase or decrease. Also shown is the budget share after the estimations for both Pupil Premium and new Supplementary Fund have been included, for information.
- 4.7. Cost of PFI has increased substantially this year due to the impact of the pandemic and Brexit. The cost of the base Unitary Charge has risen by £1.4m (3.6%) compared to 21/22 levels. The official measure of inflation in the United Kingdom, the Consumer Prices Index (CPI), was 5.4% in December 2021 (an increase on the previous forecast figure of 0.8%). The annual unitary charge increase is linked to January/February RPIX figures, which aren't published until February/March, on individual phase costs of upto 7.2% have been applied to arrive at the 2022/23 overall unitary charge level.
- 4.8. **Schools with integrated resources** - the Element 3 pupil-led top up funding will be received as part of the Schools Block budget share, as the pupils that occupied the integrated resource in the October 2021 Census are funded through the Schools Block element. Elements 1 and 2, of integrated resources funding, will be funded through the High Needs Block and this has been covered and agreed through the High Needs Integrated Resource Paper 3.

5 Pupil Premium

- 5.1. The Pupil Premium is calculated by the ESFA and notified to local authorities for maintained schools and paid directly to academies.
- 5.2. The Census date for this collection changed to the October Census rather than the January Census. The DfE has made this change to streamline this grant in line with DSG and to enable schools to receive an earlier notification of the allocation rather than waiting until June.

- 5.3. For 2021/22, the DfE extended pupil premium eligibility to pupils eligible for free school meals under the temporary extension set out in the coronavirus (covid-19) guidance. As these pupils are not registered as eligible in the school census, eligible schools could claim for additional pupil premium funding for these pupils. In 2021/22 this resulted in 32 pupils being funded (31 primary and one secondary) at a total of £42,650.
- 5.4. The rates for 2022/23 have increased and are as follows:
- £1,385 per Primary FSM 'Ever 6' pupils (increase of £40)
 - £985 for Secondary FSM 'Ever 6' pupils (increase of £30)
 - £2,410 for looked-after children (increase of £65)
 - £2,410 for children who have ceased to be looked after (Post LAC)
 - £320 service children (increase of £10)
 - £342 Early Years (increase of £40)

In line with a previous Forum decision, up to 50% of Pupil Premium for Looked After Children (LAC) may be centrally held to commission city-wide services on behalf of LAC.

- 5.5. The Pupil Premium will remain payable for each pupil who has been eligible for free meals at any time in the last six years or is looked after / adopted from care after 2006, or who has been a service child in the last six years.
- 5.6. The table below summarises the expected level of Pupil Premium for 2022/23 excluding special schools:

| Primary £'000 | | | Secondary £'000 | | | Total £'000 |
|--------------------------|-----------|--------|----------------------------|-----------|--------|------------------------|
| Maintained | Academies | Total | Maintained | Academies | Total | Total |
| 6,867 | 12,151 | 19,018 | 352 | 9,903 | 10,255 | 29,273 |

- 5.4.1 As per the December 2017 Schools Forum, an automatic award for free school meals process was put in place, and since adapted to incorporate the new Census collection date. We should continue to expect further increases in pupil premium now the information is being captured through the Census process.

6 Additional Grants – Supplementary Fund

- 6.1. In 2022/23 an additional Supplementary Grant is being introduced to be paid from April 2022 for both Maintained schools and academies, covering mainstream pupils aged 3 to 19 in schools only.
- 6.2. The grant will only be payable to public sector employers. This means that further education colleges, sixth form colleges, independent learning providers, as well as private and voluntary sector early years providers will not be eligible to receive this funding.
- 6.3. The total grant relating to mainstream schools is in the region of £12m, and an illustration of this grant can be found in the Indicative School Budgets – Appendix 1.
- 6.4. Actual allocations are due to be published in the Spring Term by the DfE.

- 6.5. The grant is to support the additional costs schools face such as inflation and energy increases, plus support for the health and social care levy.
- 6.6. The DfE has announced that this funding would continue for each year of the current spending review, and will form part of the NFF allocations from 2023/24.
- 6.7. The **methodology** to be used is:
- A basic per-pupil rate (different rates for primary, key stage 3 and key stage 4).
 - A lump sum paid to all schools, regardless of pupil numbers.
 - A per-pupil rate for pupils who are recorded as having been eligible for free school meals at any point in the last six years (FSM6), with different rates for primary and secondary pupils.
- 6.8. The **rates** for 5 to 16 schools are as follows:
- Base per-pupil rate of £97 for primary pupils.
 - Base per-pupil rate of £137 for key stage 3 pupils.
 - Base per-pupil rate of £155 for key stage 4 pupils.
 - Lump sum of £3,680.
 - FSM6 per-pupil rate of £85 per eligible primary pupil.
 - FSM6 per-pupil rate of £124 per eligible secondary pupil.
- 6.9. The base per-pupil funding rate for early years provision in schools, and for maintained nursery schools, will be £24 per pupil.
- 6.10. The base per student funding rate for 16-19 provision in schools, including 16 to 19 schools and academies, will be £35 per student.

7 Central Budgets

7.1. Pupil Growth Fund

Funding for pupil growth was £2.28m for 2022/23, but the ongoing formula costs to support new and growing schools amounted to £0.67m this year leaving an amount of £1.61m for funding basic need growth in 2022/23. Growth funding that the Local Authority receives is calculated using a national funding formula as in previous years.

7.2. De-delegated Services

The other centrally retained budgets are those continuing to be approved on behalf of maintained schools at the Schools Forum, originally agreed on 20 February 2013 and are as follows:

- a. Free School Meals eligibility.
- b. Licences/subscription.
- c. Staff costs - supply cover.
- d. Support of minority ethnic pupils or underachieving groups. – changes agreed see below (EMTAS).
- e. Schools in financial difficulties.
- f. Contingencies – for both exceptional or unforeseen costs and additional costs relating to new, reorganised or closing schools.

- 7.3. A new de-delegation related to School Improvement is being considered under Paper 5a, after a 50% reduction of the original grant received by the DfE. The information provided below is NOT inclusive of the de-delegated amounts for School Improvement.

- 7.4. The total amount for all de-delegated services from primary and secondary schools is £1.9m with academies receiving 69% (£1.3m) of the de-delegated budgets.

Appendix 2 provides a further breakdown of these items.

8 Central School Services Block (CSSB)

- 8.1. As part of transition to the NFF, the ESFA established a Central School Services Block (CSSB) by combining historic commitments, ongoing responsibilities and ESG retained duties into CSSB.
- 8.2. In 2019/20 the ESFA introduced a change to the formula that calculates the CSSB so that the historic commitments element would reduce year-on-year as they would be expecting these to end over time.
- 8.3. In 2022/23 a reduction of **£759k** has been applied to the historic commitments.
- 8.4. The following paragraphs detail the responsibilities held by the LA for all schools, maintained and academies.

The CSSB is split into two areas:

1. Ongoing responsibilities (every local authority receives it).
2. Historic commitments (unique to Sheffield).

The following table shows Sheffield's allocation for 2021/22 and 2022/23.

| | 2021/22 £000's | 2022/23 £000's | Change £000's |
|--------------------------|---------------------------|---------------------------|--------------------------|
| Ongoing responsibilities | 2,533 | 2,689 | 156 |
| Historic Commitments | 3,795 | 3,036 | -759 |
| | 6,328 | 5,725 | -603 |

8.5. Ongoing Responsibilities

These are responsibilities held by the LA for all schools (maintained and academies). We receive a contribution of £36.61 per pupil towards delivery of our ongoing responsibilities for all schools in the city.

The following is a list of services and budgets included in ongoing responsibilities.

| Ongoing Responsibilities | 2022/23 £000's |
|---------------------------------|---------------------------|
| Statutory and Regulatory ** | 601 |
| Education Welfare Duties | 555 |
| Asset Management | 508 |
| Schools Forum | 256 |
| School's Admissions | 371 |
| Copyright Licences | 398 |

Local Authority Statutory and Regulatory Duties - £601k

This includes: planning for the education services as a whole; revenue budget preparation, external audit relating to education and preparation of information on income expenditure relating to education; administration of grants, authorisation and monitoring of expenditure not met from schools' budget shares; formulation and review of local authority schools funding formula; internal audit and other tasks related to the authority's chief finance officers responsibilities under Section 151 of LGA; 1972 except duties specifically related to maintained schools; consultation costs relating to non-staffing issues; plans involving collaboration with other LA services or public/voluntary bodies; Standing Advisory Committees for Religious Education (SACREs); and provision of information to or at the request of the Crown other than relating specifically to maintained schools.

In 2022/23 funding to support **Learn Sheffield** continues to be through a mix of school subscription income, traded income and funding from their School Improvement commission from Sheffield City Council. The value of the commission for 2022/23 has been set at £506k through DSG allocation and School improvement and Monitoring Grant, and possible de-delegation. A provision of **£190k has been made** from ongoing responsibilities under Statutory and Regulatory duties.

Local Authority Education Welfare Duties - £555k

This includes functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils; school attendance; and responsibilities regarding the employment of children.

Local authority asset management duty – £508k

This includes management of Sheffield Schools Capital Maintenance and Development Programme, and development including preparation and review of an asset management plan, and negotiation and management of private finance transactions and general landlord duties for all buildings owned by the LA, including those leased to academies.

Centrally held funding also includes servicing of the Schools Forum (£256k)

including administration and running costs, preparation of Forum reports, and preparation of school budgets, ongoing liaison with schools, ensuring the Forum operates within DfE regulations and guidance, and servicing of various Forum working groups. .

School Admissions (£371k) and Copyright Licences (£398k). The DfE pays for Copyright Licensing through a national contract. The cost for 2022/23 is £398k net of VAT and applies to both maintained schools and academies.

8.6. Historic Commitments

- 8.6.1. The ESFA reduced Sheffield's allocation of historic commitments by £759k in 2022/23 compared to 2021/22.
- 8.6.2. Considering the strategic importance and ongoing nature of these services, through the Council-wide business planning process, we have secured a funding contribution from the council to offset the reduction in historic

commitments by ESFA. All existing services funded from the historic allocation can continue to support the school system in 2022/23

8.6.3. In 2022/23 these services will be funded through a combination of historic DSG commitments and a contribution from the Council.

8.6.4. The following is a list of the fully costed contributions to historic commitments and the source of funding in 2022/23:

| | 2019/20 Total Cost £000's | Covered by the council £000's | 2022/23 CSSB £000's |
|--|--|--|------------------------------------|
| MAST | 3,700 | | |
| Safeguarding | 634 | | |
| Youth Justice | 133 | | |
| School Partnerships | | | |
| Performance and Analysis | 601 | | |
| Children's University | 46 | | |
| School Organisation | 383 | | |
| | 1,030 | | |
| Combined Budgets | | | |
| Inclusion and Learning | 7 | | |
| Business Support | 143 | | |
| Participation | 229 | | |
| Programme and Information Development | 53 | | |
| | 432 | | |
| | 5,929 | (2,893) | 3,036 |

Support for the Prevention and Early Intervention Strategy by funding the Multi-agency Support Team (MAST) - £3.03m - which works across the localities in the city with schools. The funding represents approximately 25% of the cost of the service, reflecting the referrals which come from schools.

8.7. Future Years Reduction to Historic Commitments

The Government had previously indicated that they expected the historic commitments within the Central School Services Block to continue to reduce and therefore the Central School Services Block funding would be reduced in future years as per the following excerpt from the 'Schools Revenue Funding 2022 to 2023, December 2021':

As previously stated, the department has reduced the element of funding within CSSB that some local authorities receive for historic commitments made prior to 2013 to 2014. In 2022 to 2023, for those local authorities that receive it, historic commitments funding has been reduced by 20%

Considering the strategic importance and ongoing nature of these services, through the Council-wide business planning process, we have secured a funding contribution from the council to offset the reduction in historic commitments by ESFA and we will continue to pursue the same approach and request that the Council fund any future reductions in historic elements of CSSB.

9 Recommendations

It is recommended that the Forum:

- I. **Approves** the 2022/23 budget for primary and secondary schools set at £395.9m – Appendix 1.
- II. **Approves** the MFG Disapplication applied relating to Split Site Funding
- III. **Notes** the growth funding allocation of £1.61m
- IV. **Notes** the transfer of £1.5m from the Schools Block to the High Needs Block.
- V. **Notes** the de-delegated budgets of £1.9m and for maintained schools to agree de-delegation of £0.62m of services (excluding School Improvement) – Appendix 2.
- VI. **Notes and agrees** the contribution to the Central School Services Block budget.