

2023/24 Dedicated Schools Grant (DSG)



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The 2324 DSG Allocation

The Education and Skills Funding Agency (ESFA) published the draft authority level DSG allocations for the schools, central school services, early years, and high needs blocks on 16 December 2022. Please see the allocation and comparison with last year.

Funding Block	DSG Budget 2022/23 £000	DSG Budget 2023/24 £000	Change in Budget £000	Increase %
Schools	251,897	267,406	15,509	6.2
High Needs	56,152	62,084	5,932	10.6
Central Services	2,540	2,480	-60	-2.3
Early Years	25,914	26,897	983	3.8
Total DSG Budget	336,503	358,867	22,364	6.6



Schools block budget changes from last year in per pupil funding

- The increase in Primary unit cost from last year is £211 per pupil to approx. £5,067. Percentage increase of 4.1%.
- The increase in Secondary unit cost from last year is £336 per pupil to approx. £6,917. Percentage Increase of 4.9%.
- Increase in Pupil numbers from last year.

	Oct-21	Oct-22	Diff	%
Primary	26,945	26,997	52	0.002
Secondary	17,659	18,055	396	2.242
Total	44,604	45,052	448	



Significant changes from last year in the Schools block funding. Moving to NFF.

- Local authorities will only be allowed to use NFF (National Funding Formula) factors in their local formulae. This means that **the looked after children (LAC) factor** will no longer be an allowable factor.
- Local authorities **must use all NFF factors** – except for the locally determined premises factors which remain optional. This means that Local authorities will have to use all 3 deprivation factors (FSM, FSM6 and IDACI), as well as LPA, EAL, mobility, sparsity and the lump sum.
- Local authorities must **move their local formula factor values at least 10% closer to the NFF**, except where local formulae are already mirroring the NFF. These criteria do not apply to locally determined factors – notably the premises factors.
- Local authorities must use **the NFF definition for the EAL factor**, although flexibility over the sparsity factor methodology will remain in 2023 to 2024
- Local authorities have the freedom to set the MFG in their local formulae between +0.0% and +0.5% per pupil. Local authorities continue to be able to transfer up to 0.5% of their Schools block to other blocks of the DSG, with Schools forum approval.



Limited flexibility on Schools Block budget. 2 Options presented to Schools Forum.

- Now that the Local authority is limited to being no more than 10% away from the National funding formula, flexibility is limited.
- The January Schools Forum members were asked to comment on 2 Options for the Schools block budget funding.
- One on the minimum factor amounts that could be used.
- One nearer the maximum factor amounts that could be used.



Schools block Option 1

- This uses the 2023 to 2024 APT minimum level
- The Lump Sum has been increased to £142,000
- The funding share between Primary and Secondary remains similar to 2022/23 with 1:1.31 respectively, last year it was 1:1.30.
- Minimum Funding Guarantee (MFG) has been calculated at approx. £122k and 4 Schools on MFG which represents 0.05%.



Schools block Option 2

- This uses the 2023 to 2024 APT maximum level up to the amount available to distribute, therefore not all the maximum factors could be used as the Hillingdon allocation is not great enough to fund all the maximum factors.
- The Lump Sum has been increased to £143,000
- The funding share between Primary and Secondary remains similar to 2022/23 with 1:1.31 respectively, last year it was 1:1.30.
- The increase in individual schools has been capped at 8%
- Minimum Funding Guarantee (MFG) has been calculated (see below). The MFG which represents 0.02%:
 - Capping is approx. £130k.
 - MFG increases to approx. £195k and 9 Schools
 - Net effect is approx. £65k



Option Chosen

Option 2 was chosen.

This option gives more funding to deprivation factors rather than the AWPUP (Average weighted pupil unit).

All amounts were in the allowable factors given to the Local authority by the Department of Education (DFE).

For more information, please see Schools forum reports in December 2022 and January 2023.

Also more information is available on the Education.gov website.



2023-24 Early years Funding

Early Years funding rates were published on 16 December 2022 with increases in the funding rates for 2 years-olds and 3 & 4-year-olds for most local authorities. The following funding rates will be used to generate the Hillingdon Early Years Block funding in 2023/24.

The indicative figures below are based on approximately 5007 3&4 year olds, 1638 additional hours for 3&4 year olds and 563 2 year old.

Dedicated schools grant: Indicative 2023 to 2024 Early years block allocations		Indicative funding allocation for universal entitlement for 3 and 4 year olds (£s)	Indicative funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4 year olds (£s)	Indicative funding allocation for 2 year old entitlement (£s)	Indicative funding allocation for early years pupil premium (£s)	Funding allocation for disability access fund (£s)	Indicative supplementary funding allocation for maintained nursery schools (£s)	Total early years block (£s)
		[C]	[E]	[H]	[I]	[J]	[M]	[N]
		= [A] * [B] * 15 * 38	= [A] * [D] * 15 * 38	= [F] * [G] * 15 * 38			= [K] * [L] * 15 * 38	= [C] + [E] + [H] + [I] + [J] + [M]
312	Hillingdon	18,094,044.00	5,918,718.00	2,203,869	185,437.00	114,264	380,652.00	26,896,984
	2022/2023 (Last years rate)	17,523,254	5,732,008	2,017,807	179,455	124,800	336,637.00	25,913,961
	Variance	570,790	186,710	186,062	5,982	-10,536	44,015.00	983,023.00

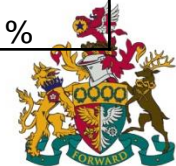


2023-24 Early years Funding

Universal Free Entitlement - Base Rate

- Local authorities are required to pass 95% of early years funding directly to providers. There is a requirement to set a universal base rate for all providers, and additionally the guidance states that the level of supplements should be capped at 10% of the total funding given to providers, with the remaining 90% distributed through the base rate. Given the limits on supplements, the Hillingdon base rate was set at 91% of available funding in 2022/23.
- The table below shows the increase in the hourly rate allocated to Local authorities, please note this now includes the Teacher's Pension grant. More information is available in the Schools Forum January 2023 report and on Education.gov website.
- The following DSG Early Years Block funding streams are not included in the 95% pass-through calculation:
 - Funding for the entitlement for disadvantaged 2-year-olds
 - payments to MNS from DfE's MNS supplementary funding allocation
 - the Disability Access Fund (DAF)
 - the Early Years Pupil Premium (EYPP)

	2022/23 £ (per hr)	2023/24 £ (per hr)	Increase £ (per hr)	Increase %
2-Year-olds	6.29	6.87	+0.58	9.2%
3- & 4-Year-olds	6.14	6.34	+0.20	3.1%



High needs block budget allocation

A report will go to Schools Forum in March 2023 with the Local authority proposed budget allocation for 2023/24.



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Questions?



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