

Wiltshire Council

School Funding Working Group: 27th September 2021

Schools Forum: 7th October 2021

National Funding Formulae for Schools and High Needs – 2022-23

Purpose of report

1. To outline the Department for Education (DfE) funding proposals for schools and high needs in 2022-23. The DfE published its document '*The national funding formulae for schools and high needs – 2022-23*', in July 2021.
2. This report is presented purely to bring the latest DfE funding changes to the attention of members of the Schools' Forum rather than for consultation. All funding decisions relating to the 2022-23 year will be taken later this year, following the announcement of the 2022-23 funding settlement.

Background

3. In the Autumn of 2019, the government announced its pledge to boost schools and high needs funding. Building on the 2019-20 funding levels, the cash increases of £14.5 billion over 3 years would comprise;
 - i. £2.6 billion in 2020-21
 - ii. £4.8 billion in 2021-22 (increase by £2.2bn)
 - iii. £7.1 billion in 2022-23 (increase by £2.3bn)
4. In addition, a further £700million was pledged for High Needs nationally in 2020-21 and a further £730m for 2021-22.
5. The DfE have continued to allocate school funding on the basis of the National Funding Formula (NFF) which should see all schools benefitting from the additional funding. Nationally, the Schools Block of the Dedicated Schools Grant (DSG) has been awarded an average increase of:
 - a. 4% in the pupil-led funding factors for 2020-21 compared to 2019-20
 - b. 3% in the pupil-led funding factors for 2021-22 compared to 2020-21
 - c. 3% in the pupil-led funding factors for 2022-23 compared to 2021-22
6. The 2022-23 year will be another 'soft' year with local Schools' Forum still retaining its role in determining the school funding allocation methodology.

Proposals for 2022-23

7. The DfE have announced the indicative DSG Block allocations, based upon October 2020 census data which formed the basis of the 2021-22 allocations. The only Block which can't be proposed at this early stage is the Early Years Block, which is subject to further work by the DfE.
8. The table below sets out the indicative DSG funding for the Schools, High Needs and Central Blocks. The Early Years Block figures are simply replicated from the 2021-22 allocation in order to provide a view of the overall quantum of funding for 2022-23.

	Schools	High Needs	Central	Early Years	TOTAL
2021-22	£314,778,576	£57,528,558	£2,448,599	£27,243,000	£401,998,733
2022-23	£325,282,108	£62,353,552	£2,597,335	£27,243,000	£417,475,995
Uplift	£10,503,532	£4,824,994	£148,736	£0	£15,477,262
% Uplift	3.33%	8.39%	6.07%	0.00%	3.85%

9. The main formula for the 2022-23 year is broadly similar to the formula for the 2021-22 year however there are some changes, as detailed below.
 - a. Overall, the DfE's School funding budget is set to increase by 3.2%
 - b. Core pupil-led funding factors and the lump sum to increase by 3%
 - c. The 'Minimum per pupil funding level' to increase by 2%
 - d. The Free School Meals factor (for the costs of providing a meal for eligible pupils) to increase by 2%
 - e. Every school to receive at least 2% more funding per pupil
 - f. Changes to Sparsity calculations and funding allocations (subject to a separate report)
 - g. Using the previous October census for calculating Deprivation FSM6 funding rather than the previous January census (reducing the lag)
 - h. Centralising the payment of Business Rates for schools (covered in a separate report)
 - i. Increasing the DfE's High Needs funding by £780m or 9.6%
 - j. All local authorities to see an increase in High Needs funding of between 8% and 11%
 - k. The 'Historic Spend' factor within the High Needs NFF to be updated to 50% of a local authorities' spend in 2017-18
 - l. A transfer of up to 0.5% of Schools Block funding to the High Needs Block will be permitted, subject to Schools Forum approval
 - m. The Central School Services Block comprises of 2 elements, funding towards;
 - i. Historic Commitments - £293,888
 - ii. Ongoing local authority responsibilities - £2,303,447

Funding Values Proposed in the NFF for 2022-23

10. The table below sets out the NFF funding values for school for the 2022-23 year.

Factor	2019-20	2020-21	2021-22	2022-23
Primary KS1&2 AWPU	£2,747	£2,857	£3,123*	£3,217*
Secondary KS3 AWPU	£3,863	£4,018	£4,404*	£4,536*
Secondary KS4 AWPU	£4,386	£4,561	£4,963*	£5,112*
Primary & Secondary FSM	£440	£450	£460	£470
Primary FSM6	£540	£560	£575	£590
Secondary FSM6	£785	£815	£840	£865
IDACI Primary Band A	£575	£600	£620	£640
IDACI Primary Band B	£420	£435	£475	£490
IDACI Primary Band C	£390	£405	£445	£460
IDACI Primary Band D	£360	£375	£410	£420
IDACI Primary Band E	£240	£250	£260	£270
IDACI Primary Band F	£200	£210	£215	£220
IDACI Secondary Band A	£810	£840	£865	£890
IDACI Secondary Band B	£600	£625	£680	£700
IDACI Secondary Band C	£560	£580	£630	£650
IDACI Secondary Band D	£515	£535	£580	£595
IDACI Secondary Band E	£390	£405	£415	£425
IDACI Secondary Band F	£290	£300	£310	£320
Prior Attainment – Primary	£1,022	£1,065	£1,095	£1,130
Prior Attainment – Secondary	£1,550	£1,610	£1,660	£1,710
EAL – Primary	£515	£535	£550	£565
EAL - Secondary	£1,385	£1,440	£1,485	£1,530
Mobility – Primary	£0	£875	£900	£925
Mobility – Secondary	£0	£1,250	£1,290	£1,330
Lump Sum	£110,000	£114,400	£117,800	£121,300
Sparsity – Primary	£0-£25,000	£0-£26,000	£0-£45,000	£0-£55,000
Sparsity – Secondary	£0-£65,000	£0-£67,500	£0-£70,000	£0-£80,000
Primary - MPPFL	£3,500	£3,750	£4,180	£4,265
Secondary – MPPFL	£4,800	£5,000	£5,415	£5,525

* - Includes the Teachers Pay and Pension Grants of £180 for Primary and £265 for Secondary

Key Funding Decisions taken by Schools Forum in 2021-22

11. A number of funding decisions were taken by Schools Forum for the 2021-22 year including;
 - a. To include the NFF Mobility factor within the Wiltshire formula
 - b. To apply all other NFF factors in full
 - c. To increase sparsity funding by 3% not to the NFF rates
 - d. To set the Minimum Funding Guarantee at +2.00% (in line with NFF)
 - e. To transfer 0.5% of the Schools Block to the High Needs Block

Role of Schools Forum and the Local Authority

12. The government has confirmed its intention to move to a single 'hard' NFF to determine every schools budget. For the 2022-23 year, the DfE have confirmed it will be another 'soft' year, with each LA along with its Schools Forum being able to determine its school funding formula.
13. The only mandatory factor for 2022-23 will be the application of the minimum per pupil funding levels, being £4,265 and £5,525 in Primary and Secondary respectively.
14. The formula will be presented at Schools Forum when the final allocations have been confirmed and to the LA for political ratification and approval in February 2021.

Budget Setting Process 2022-23

15. Local authorities are required to submit the proposed delegated budget for schools in their areas to the DfE in January 2022. The DfE are required to confirm the formula is fully compliant with the funding regulations and will then confirm budgets to academies during February 2022. The LA will need to notify maintained schools of their budget shares by the end of February 2022 as in previous years.
16. The LA will engage in consultation with schools in the County, including any changes to the formula, movement between blocks and any de-delegation for maintained schools. In terms of setting the budgets for schools for 2022-23, the amount of funding available for distribution to schools will be calculated as follows;

DSG Schools Block Allocation	£325,282,108
Less: Growth Fund	x,xxx,xxx
Less: Transfer to Other Blocks	x,xxx,xxx
Total available for School Funding	xxx,xxx,xxx

Growth Funding

17. The new approach introduced as part of the NFF for calculating the Growth funding will continue in the 2022-23 year. The County will be broken down into middle layer super output areas (MSOA's) and the growth in pupils in the MSOA area between the October 2021 census and the October 2020 census will attract funding at:
- £1,485 per primary pupil
 - £2,220 per secondary pupil
 - £70,800 for each new school (no new schools in Wiltshire this year)
18. The level of Growth funding required in 2022-23 and size of the Growth Fund will be determined later in the year along with confirmation of Growth funding criteria.

Initial Modelling

19. Initial modelling of the Schools Block demonstrates that the NFF is affordable, based upon the October 2020 census and therefore the full NFF could be implemented. There are questions for Schools Forum to consider regarding a move to the full NFF.

De-Delegation

20. There are a number of budgets included in the local formula that maintained schools only, can agree to de-delegate so that certain services continue to be provided centrally by the LA. De-delegation cannot be applied to amounts delegated to academies or to special schools. Schools Forum will take this decision on behalf of maintained schools, based upon the results of a consultation responses.
21. For the 2021-22 year, it was agreed by the maintained schools voting members that the de-delegation of services would continue as it had for those services de-delegated in 2020-21 and in previous years.

Notional SEN

22. Mainstream schools and Academies will continue to receive a clearly identified budget for SEN, known as the Notional SEN budget. Using their notional SEN budget, mainstream schools and Academies will be expected to:
- meet the needs of pupils with low-cost, high-incidence SEN and
 - contribute towards the costs (first £6,000) of provision for all pupils with high needs.

Questions for Schools Forum

23. Increased funding through Sparsity. A separate report is being presented regarding the results of the DfE's consultation on sparsity funding. The DfE will fully fund Wiltshire on the basis of the NFF values. Sparsity has been designed to help secure small rural schools and the decision for schools forum will be
- An increase in the maximum sparsity allowances by £10,000 to £55,000 and £80,000 for primary and secondary respectively. (The current Wiltshire funding rates are £26,780 and £69,525).
24. Under the funding guidance for 2022-23, Schools Forum will continue to be able to transfer up to 0.5% of their Schools Block allocation to other Blocks of the DSG.

Proposal

25. Schools Forum to note the content of the report and to consider the questions raised in the paper.

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