

Wiltshire Council

Schools Forum

8th December 2022

National Funding Formulae for Schools and High Needs – 2023-24

Purpose of report

1. To seek 'in principle' decisions from members of Schools Forum with regards to the Wiltshire funding formula for the 2023-24 year.
2. At the October 2022 Schools Forum meeting, the key funding arrangements as published by the DfE in its document '*The national funding formulae for schools and high needs – 2023-24*', were presented.
3. Prior to the funding settlement being announced in December, a number of 'in principle' decisions are sought to help with the school budget preparations. Separate papers have been prepared relating to the De-delegation consultation, funding for the removal of the LAMB and the transfer of funding to support the High Needs Block.

Background

4. The 2023-24 year represents another year where the Government has pledged to boost schools funding, with an increase of £2.3bn into the overall Schools Block compared to the 2022-23 year.
5. The DfE will allocate school funding on the basis of the National Funding Formula (NFF) to local authorities. The funding is then run through the local funding formula, taking account of Schools Forum decisions to create individual school budgets. The Schools Block of the Dedicated Schools Grant (DSG) has been awarded an increase of 2.4% for the core funding factors and 4.3% for Deprivation factors compared to the 2022-23 year.
6. The 2023-24 year will be another 'soft' year with local Schools' Forum still retaining its role in determining the school funding allocation methodology. The DfE have confirmed their intention to move to a 'hard' national funding formula and are proposing a move to the full hard formula by 2027-28. In the meantime, there will be a tightening towards the full NFF.

Proposals for 2023-24

7. The DfE have announced the indicative DSG Block allocations, based upon October 2021 census data which will be refreshed when the December funding allocations are announced.
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 2022-23 allocation to provide a view of the overall quantum of funding for 2023-24.)

	Schools*	High Needs	Central	Early Years	TOTAL
2022-23	£336,281,937	£64,768,256	£2,604,175	£30,866,919	£434,521,287
2023-24	£343,027,141	£67,825,547	£2,596,327	£30,866,919	£444,315,934
Headline Uplift	£6,745,204	£3,057,291	-£7,848	£0	£9,794,647
% Uplift	2.01%	4.72%	-0.3%	0.00%	2.25%

* - Net of Growth funding – was £1.912m in 2022-23

9. The main formula for the 2023-24 year is broadly similar to the formula for the 2022-23 year however there are some changes, as detailed below.
 - a. Overall, funding through the NFF will increase by 1.9%
 - b. Core pupil-led funding factors and the lump sum to increase by 2.4%
 - c. Disadvantaged funding, FSM6 and IDACI factors to increase by 4.3%
 - d. The 'Minimum per pupil funding level' to increase by 3.3% to;
 - i. £4,405 for Primary
 - ii. £5,715 for Secondary
 - e. The School Supplementary Grant from 2022-23 has been rolled into the baseline funding and then inflated by the relevant percentage increases.
 - f. The Free School Meals factor (for the costs of providing a meal for eligible pupils) to increase by 2%
 - g. Every school to receive at least 0.5% more funding per pupil
 - h. A transfer of up to 0.5% of Schools Block funding to the High Needs Block will be permitted, subject to Schools Forum approval
 - i. All NFF factors must be used in the formula
 - j. The funding for EAL must be the EAL3 factor, meaning pupils will attract funding for the first three years they are within the state school system.

Role of Schools Forum and the Local Authority

10. The government has confirmed its intention to move to a single direct NFF to determine every schools budget. For the 2023-24 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.
11. In its consultation 'Implementing the Direct National Funding Formula' issued in July 2022, the DfE are expecting to move to the Direct (Hard) NFF by the 2027-28 funding year, at the latest.
12. All NFF factors will be mandatory from 2023-24 and the formula will be presented to Schools Forum when the final allocations have been confirmed in December and then to the LA for political ratification and approval in February 2023.

Funding Values Proposed in the NFF for 2023-24

13. The table below sets out the NFF funding values for school for the 2023-24 year.

Factor	2019-20	2020-21	2021-22	2022-23	2023-24
Primary KS1&2 AWPU	£2,747	£2,857	£3,123*	£3,217*	£3,394**
Secondary KS3 AWPU	£3,863	£4,018	£4,404*	£4,536*	£4,785**
Secondary KS4 AWPU	£4,386	£4,561	£4,963*	£5,112*	£5,393**
Primary & Secondary FSM	£440	£450	£460	£470	£480
Primary FSM6	£540	£560	£575	£590	£705**
Secondary FSM6	£785	£815	£840	£865	£1,030**
IDACI Primary Band A	£575	£600	£620	£640	£670
IDACI Primary Band B	£420	£435	£475	£490	£510
IDACI Primary Band C	£390	£405	£445	£460	£480
IDACI Primary Band D	£360	£375	£410	£420	£440
IDACI Primary Band E	£240	£250	£260	£270	£280
IDACI Primary Band F	£200	£210	£215	£220	£230
IDACI Secondary Band A	£810	£840	£865	£890	£930
IDACI Secondary Band B	£600	£625	£680	£700	£730
IDACI Secondary Band C	£560	£580	£630	£650	£680
IDACI Secondary Band D	£515	£535	£580	£595	£620
IDACI Secondary Band E	£390	£405	£415	£425	£445
IDACI Secondary Band F	£290	£300	£310	£320	£335
Prior Attainment – Primary	£1,022	£1,065	£1,095	£1,130	£1,155
Prior Attainment – Secondary	£1,550	£1,610	£1,660	£1,710	£1,750
EAL – Primary	£515	£535	£550	£565	£580
EAL - Secondary	£1,385	£1,440	£1,485	£1,530	£1,565
Mobility – Primary	£0	£875	£900	£925	£945
Mobility – Secondary	£0	£1,250	£1,290	£1,330	£1,360
Lump Sum	£110,000	£114,400	£117,800	£121,300	£128,000**
Sparsity – Primary	£0-£25,000	£0-£26,000	£0-£45,000	£0-£55,000	£0-£56,300
Sparsity – Secondary	£0-£65,000	£0-£67,500	£0-£70,000	£0-£80,000	£0-£81,900
Primary - MPPFL	£3,500	£3,750	£4,180	£4,265	£4,405
Secondary – MPPFL	£4,800	£5,000	£5,415	£5,525	£5,715

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

** - Incorporates the Schools Supplementary Grant funding for 2022-23 for AWPU, FSM6 and Lump Sum

Key Funding Decisions to be taken by Schools Forum for the 2023-24 year

14. A number of funding decisions need to be taken by Schools Forum for the 2023-24 year including;
- To apply all the NFF factors in full
 - To set the Minimum Funding Guarantee at +0.5% (in line with NFF)
 - To transfer 0.5% of the Schools Block to High Needs Block (separate paper)

Budget Setting Process 2023-24

15. The timeline for setting the 2023-24 budget is expected to follow.

December 8 th	Schools Forum agree in principle decisions for funding, de-delegation and block transfers
December 16 th	DfE issue funding allocations
January 19 th	Schools Forum confirm and 'sign off' school budgets for the 2023-24 financial year
February 21 st	School budgets signed off at Full Council meeting
By 28 th February	All schools notified of funding for 2022-23

16. In terms of setting the budgets for schools for 2023-24, the amount of funding available for distribution to schools will be calculated as follows.

DSG Schools Block Allocation	£343,027,141
Less: Growth Fund	x,xxx,xxx
Less: Transfer to Other Blocks	x,xxx,xxx
Total available for School Funding	xxx,xxx,xxx

Initial Modelling

17. Initial modelling of the Schools Block demonstrates that the NFF is affordable, based upon the October 2021 census and therefore the full NFF could be implemented.

Proposal

18. Schools Forum to make 'in principle' decisions for the following formula factors to enable school budgets to be prepared ready for the January 2023 meeting.
- To apply all the NFF factors in full
 - To set the Minimum Funding Guarantee at +0.5% (in line with NFF)