

**Wiltshire Council**

**School Funding & SEN Working Group**  
**8 January 2024**

**Schools Forum**  
**18 January 2024**

---

## **DSG Budget – Schools Block Update 2024-25 (Delegated Budget)**

### **Purpose of the Report**

1. To update Schools Forum on issues relating to the schools delegated budget for 2024-25 and the decisions that will need to be made as part of the budget setting process.

### **Main Considerations**

2. As outlined in the funding settlement paper the Department for Education (DfE) has allocated a schools' block quantum to Wiltshire of £364.467 million. This includes funding of £1.810 million for growth and falling rolls, based on the growth and falling rolls formula, detailed later in this report.
3. Modelling work has been prepared to calculate individual school budgets based on the DfE's National Funding Formula (NFF). The main funding formula for 2024-25 is broadly similar to the formula for 2023-24 but the following changes should be noted.
  - An increase in Pupil and School led funding values of 1.4%
  - Minimum Funding Guarantee to be set between 0.0% and 0.5% to ensure all schools see a gain in funding on their pupil led funding
  - Increases in the minimum per pupil funding levels (MPPFL) to £4,610 and £5,995 in primary and secondary schools
  - Amended split site criteria which now incorporates a 'basic' eligibility element and a 'distance' element
4. Financial modelling has been completed for the 2024-25 and suggests that the NFF is fully affordable within the funding envelope provided by the DfE. The Schools Block of funding is sufficient to afford the full NFF, including a transfer to the High Needs Block, with further discussion of some factors detailed in this report.

## The National Funding Formula

5. Since the introduction of the NFF, it has been Wiltshire's intention to move across to mirror and replicate the formula in the 'soft' years, prior to moving to the 'hard' formula. Over the last six years, Wiltshire has moved across to funding schools, subject to affordability, using the NFF factor values. Where the NFF values could not be afforded, the Free School Meal Ever6 (FSM6) factor was compromised to ensure the other factor values were affordable. For the last five years, the formula has been fully affordable.
6. The DfE published their NFF factor values in the Summer of 2023 (amended October 2023) and following the announcement about the size of the DSG, the funding formula has been modelled to incorporate the NFF factor values (see Appendix 1 for rates).
7. Based upon the Schools' Block allocation, the formula is fully affordable for the 2024-25 financial year, applying all the NFF factor values. Wiltshire has been funded through the NFF and this has ensured that Schools Forum is presented with a position of affording the full NFF.
8. Within the modelling, the following elements have been included, as agreed with Schools Forum in December 2023:
  - Full NFF values applied for all funding factors
  - MFG set at the maximum level of +0.5%
  - Transfer from Schools' Block to High Needs Block of 0.55% (£2.0m)
9. The table below sets out the funding position having applied all the NFF values and taken account of any proposed transfers, to demonstrate the affordability position.

<b>Funding 2024-25</b>	<b>Amount £</b>
Core funding	£362,658,157
Growth and falling rolls funding	£1,809,588
<b>Net Funding</b>	<b>£364,467,745</b>
Less: NNDR Business rates	(£3,691,968)
<b>TOTAL</b>	<b>£360,775,777</b>
Transfer to High Needs Block (0.5%)	(£2,000,000)
<b>Available for School Funding</b>	<b>£358,775,777</b>
NFF requirements	£358,042,269
Growth Fund	£733,508
<b>Schools Block Allocated</b>	<b>£358,775,777</b>

## Growth Funding & Falling Rolls Allocation 2024-25

10. Growth and Falling Rolls allocations for 2024-25 are based upon pupil data from the October 2023 census and the October 2022 census.
11. The county is separated into 62 Middle Layer Super Output Areas (MSOA) with an average of 4 schools in each MSOA area. Growth is measured by counting the increase in pupil numbers in each MSOA between the October 2022 and October 2023 censuses. Only positive increases in pupil numbers are included, so positive growth in one area, and negative growth in another, will not neutralise the position and funding for the positive growth will stand.
12. For the first time, the DfE has issued funding to LAs based on falling rolls. The formula for allocating funding to LA's is measured by looking at the MSOA's between the October 2022 and October 2023 censuses. Where a fall in pupil numbers of greater than 10% is experienced, then for each MSOA area experiencing the fall, an allocation of £141,042 will be allocated.
13. Schools Forum took a decision at its December meeting, based upon several factors, not to introduce a Falling Rolls Fund in 2024-25. Indeed, nationally the majority of Schools Forums' have not introduced such a fund.
14. The DfE take a formulaic approach to calculating both growth and falling rolls funding. They do not expect local authorities to use these funding rates in their local arrangements for funding growth and falling rolls but instead they act as a proxy for calculating funding for supporting schools at LA level.
15. At the Schools Forum meeting in December 2023, the criteria for allocating Growth funding in the 2024-25 year was confirmed. The amount of funding allocated to Wiltshire for the 2024-25 year is set out in the table below.

<b><u>Funding 2024-25</u></b>	<b><u>Primary</u></b>	<b><u>Secondary</u></b>	<b><u>TOTAL</u></b>
<b>Growth in Pupils</b>	260.5	479.5	
<b>Rate</b>	£1,561.54	£2,337.27	
<b>Amount</b>	<b>£406,781</b>	<b>£1,120,722</b>	<b>£1,527,503</b>
	<b><u>Eligible Areas</u></b>	<b><u>Funding</u></b>	
<b>Falling Rolls</b>	<b>2</b>	<b>£141,042</b>	<b>£282,085</b>
<b>Total Funding</b>			<b>£1,809,588</b>

### Historical Position

16. Growth funding forms part of the Schools Block of funding. Schools Forum has historically agreed an annual budget to be retained for funding pupil growth and has operated successfully within this funding envelope. In the financial year 2024-25 it is proposed to set the budget once again in line with the affordability, having applied NFF rates for the funding factors.

## **Affordability**

17. There are no plans to open any new schools in the 2024-25 year. The growth fund supports new primary and secondary schools with diseconomy costs for the first 7 years or until the school is full.
18. The Basic Need Class Expansion for additional classes is still to be confirmed with colleagues in the School Place Planning Team for the 2024-25 academic year. However, growth is being experienced in some areas as new housing becomes available across the County, despite a falling birth rate being experienced more generally.
19. The Infant Class Size increases have been confirmed for 2023-24 and four schools are to be funded through this factor.
20. The total Growth Fund requirement for 2024-25 is anticipated to come within the proposed budget of £734k, based upon the funding of all the NFF factors in full. Any surplus or deficit in the Growth Fund will form part of the overall DSG surplus or deficit balance.

## **Minimum Funding Guarantee**

21. The Minimum Funding Guarantee (MFG) was designed to prevent schools from experiencing significant reductions in their calculated 'per pupil' funding, year on year. Historically, the MFG had been set at -1.5% to prevent reductions in 'per pupil' funding of greater than 1.5%.
22. Following the 2024-25 funding pledge, the DfE are seeking to ensure that all schools see an uplift in their calculated 'per pupil' funding and have therefore proposed that the MFG is set at a positive figure of between 0.0% and 0.5% for 2024-25. At the December Schools Forum meeting, it was agreed to set the MFG at 0.5%, subject to affordability.
23. As in the 2023-24 year, modelling of the MFG is no longer a significant issue, as the majority of schools have moved off the MFG funding and as a result, no capping of schools would be required to fund the MFG again this year. This correlates with the DfE's intention to move all schools across towards the NFF, with an intention of introducing a 'hard' formula in due course.
24. Setting a positive MFG of 0.5% is fully affordable and will ensure that all schools see an uplift in their 'per pupil' funding of at least 0.5%. The cost to the formula in 2024-25 is £0.213m (0.06% of Schools Block funding).

## Sparsity

25. The DfE introduced changes to the Sparsity funding as part of the NFF in 2022-23. Schools Forum agreed to mirror the NFF sparsity changes within the Wiltshire formula.
26. The criteria for Sparsity funding are based upon size and sparsity distance. The threshold is for primary schools of 150 pupils or less and secondary schools of 600 pupils or less. The distance threshold is based upon the average road distance from the pupil's home to next nearest compatible school.
27. Where this distance is greater than 2 miles for primary and 3 miles for secondary pupils a school is eligible for funding. The NFF introduced a 'distance taper' which now means that primary and secondary schools with a sparsity distance within 20% of the threshold (1.6miles and 2.4miles for primary and secondary), are now eligible for funding, using a tapering mechanism.
28. The formula also uses a tapering mechanism based upon size of the school such that schools receive a weighted proportion of the maximum value.
29. As part of the DfE's proposals to support small and rural schools, the maximum sparsity value for primary schools has now increased to £57,100, with Secondary schools increasing to £83,000. The table below shows the impact of these changes on the 2024-25 formula.

<b><u>2024-25</u></b>	<b><u>Primary</u></b>	<b><u>Secondary</u></b>	<b><u>TOTAL</u></b>
Eligible Schools	62	2	<b>64</b>
Funding	£2,480,245	£96,003	<b>£2,576,248</b>
<b><u>2023-24</u></b>			
Eligible Schools	66	2	<b>68</b>
Funding	£2,402,634	£107,562	<b>£2,510,196</b>
<b><u>2022-23</u></b>			
Eligible Schools	62	4	<b>66</b>
Funding	£2,236,040	£142,411	<b>£2,378,451*</b>
<b><u>2021-22</u></b>			
Eligible Schools	28	2	<b>30</b>
Funding	£295,939	£49,594	<b>£345,533</b>

\* – This represents 0.71% of the total Schools Block Allocation

## Split Site Funding

30. Split site funding is awarded to schools operating across more than one site and has formed part of the Wiltshire formula for many years. The DfE have now determined that funding for this factor will be based upon a two-pronged criterion.

- **Basic eligibility** – schools attract a lump sum of funding for each additional eligible site (up to a maximum of three sites). Funding for this element in 2024-25 will be £54,300
- **Distance funding** – the additional site must be at least 100 metres from the main site. A tapering calculation will apply for distances between 100 metres and 500 metres, with the maximum funding being £27,100 and the minimum funding £0. The tapering will be on a straight-line basis
- The maximum amount of funding a school can receive for split site funding will be £81,400 for having two sites

31. Wiltshire currently has six split site schools. Five of these schools will receive the maximum allocation of £81,400 and one will receive a lower allocation of £73,292, due to the distance between the two school sites falling below 500 metres. The total funding awarded through this factor is £480,292, which equates to 0.13% of the schools block funding.

## Minimum per Pupil Funding Levels (MPPFL)

32. The MPPFL's were introduced as part of the NFF and have been increased annually as part of the DfE's proposals to standardise funding across the country. These are mandatory as part of the NFF and there is no scope for amending these values without permission from the Secretary of State.

33. The thresholds in primary and secondary schools for 2024-25 are £4,610 and £5,995 for primary and secondary respectively.

34. The overall funding allocated through the MPPFL is £2.215m in 2024-25, a decrease of £0.282m on the 2023-24 figure (£2.497m). This follows the trend of year-on-year reductions required for the MPPFL.

35. As the NFF is embedded, the quantum of funding awarded through the MPPFL and the number of schools eligible to receive funding should continue to decrease.

Year	Schools Eligible		Funding to Schools		
	Primary	Secondary	Primary	Secondary	Total Funding
2021-22	75	14	£3,833,014	£2,743,228	<b>£6,576,242</b>
2022-23	61	11	£3,076,671	£1,874,834	<b>£4,951,505</b>
2023-24	32	4	£1,700,428	£796,828	<b>£2,497,255</b>
2024-25	29	3	£1,486,911	£728,348	<b>£2,215,259</b>

## **Proposals**

36. Schools Forum is asked to note the report.
37. Schools Forum to confirm its intention to apply all the funding factors at the 2024-25 NFF rates.
38. Schools Forum to confirm setting the MFG at a level of 0.5%, as being fully affordable.
39. Schools Forum to confirm transferring 0.55% of the Schools Block to the High Needs Block, £2.0m, as the full NFF funding formula is affordable. *(As this exceeds the 0.5% threshold for Schools Forum approval, the DfE require confirmation that Schools Forum members have voted on this proposal and recorded the response rate)*
40. Schools Forum to agree the level of the Growth fund at £0.734m.

---

*Report Author: Grant Davis, Schools Strategic Financial Support Manager*

*Tel: 01225 718587*

*e-mail: [grant.davis@wiltshire.gov.uk](mailto:grant.davis@wiltshire.gov.uk)*

## Appendix 1

Factor	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 Original	2024-25 Revised
Primary KS1&2 AWPU	£2,747	£2,857	£3,123*	£3,217	£3,394**	£3,597***	£3,562***
Secondary KS3 AWPU	£3,863	£4,018	£4,404*	£4,536	£4,785**	£5,072***	£5,022***
Secondary KS4 AWPU	£4,386	£4,561	£4,963*	£5,112	£5,393**	£5,717***	£5,661***
Primary & Secondary FSM	£440	£450	£460	£470	£480	£490	£490
Primary FSM6	£540	£560	£575	£590	£705**	£830***	£820***
Secondary FSM6	£785	£815	£840	£865	£1,030**	£1,210***	£1,200***
IDACI Primary Band A	£575	£600	£620	£640	£670	£685	£680
IDACI Primary Band B	£420	£435	£475	£490	£510	£520	£515
IDACI Primary Band C	£390	£405	£445	£460	£480	£490	£485
IDACI Primary Band D	£360	£375	£410	£420	£440	£450	£445
IDACI Primary Band E	£240	£250	£260	£270	£280	£285	£285
IDACI Primary Band F	£200	£210	£215	£220	£230	£235	£235
IDACI Secondary Band A	£810	£840	£865	£890	£930	£950	£945
IDACI Secondary Band B	£600	£625	£680	£700	£730	£750	£740
IDACI Secondary Band C	£560	£580	£630	£650	£680	£695	£690
IDACI Secondary Band D	£515	£535	£580	£595	£620	£635	£630
IDACI Secondary Band E	£390	£405	£415	£425	£445	£455	£450
IDACI Secondary Band F	£290	£300	£310	£320	£335	£345	£340
Prior Attainment – Primary	£1,022	£1,065	£1,095	£1,130	£1,155	£1,185	£1,170
Prior Attainment – Secondary	£1,550	£1,610	£1,660	£1,710	£1,750	£1,790	£1,775
EAL – Primary	£515	£535	£550	£565	£580	£595	£590
EAL - Secondary	£1,385	£1,440	£1,485	£1,530	£1,565	£1,605	£1,585
Mobility – Primary	£0	£875	£900	£925	£945	£970	£960
Mobility – Secondary	£0	£1,250	£1,290	£1,330	£1,360	£1,395	£1,380
Lump Sum	£110,000	£114,400	£117,800	£121,300	£128,000**	£135,700***	£134,400***
Sparsity – Primary (Max.)	£25,000	£26,000	£45,000	£55,000	£56,300	£57,700	£57,100
Sparsity – Secondary (Max.)	£65,000	£67,500	£70,000	£80,000	£81,900	£83,900	£83,000
Primary - MPPFL	£3,500	£3,750	£4,180	£4,265	£4,405	£4,655	£4,610
Secondary – MPPFL	£4,800	£5,000	£5,415	£5,525	£5,715	£6,050	£5,995

\* - 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

\*\*\* - Incorporates the Mainstream Schools Additional Grant for 2024-25 for AWPU, FSM6 and Lump Sum