

Wiltshire Council

Schools Forum:

9th December 2021

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

Purpose of report

1. To seek 'in principle' decisions from members of Schools Forum with regards to the Wiltshire funding formula for the 2022-23 year.
2. At the October 2021 Schools Forum meeting, the key funding arrangements as published by the DfE in its document '*The national funding formulae for schools and high needs – 2022-23*', 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 and the transfer of funding to support the High Needs Block.

Background

4. The 2022-23 year represents year 3 of the Governments pledge to boost schools funding, with an increase of £2.3bn into the overall Schools Block compared to the 2021-22 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 3.2% compared to the 2021-22 year.
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. The DfE have confirmed their intention to move to a 'hard' national funding formula but have not confirmed the timeline.
7. A consultation earlier this year '*Fair Schools funding for all: completing our reforms to the National Funding Formula*' was considered by members of Schools Forum. The consultation included a number of proposals including.
 - Introduction of a 'hard' formula with no local flexibilities
 - Setting standard criteria for Growth funding
 - All formula factors should mirror the NFF by 2023-24
 - All formula factors should move 10% closer to the NFF values in 2023-24
 - Movement for all school funding to an 'academic year' basis

Proposals for 2022-23

8. The DfE have announced the indicative DSG Block allocations, based upon October 2020 census data which will be refreshed when the December funding allocations are announced.
9. 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 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% |

10. The main formula for the 2022-23 year is broadly similar to the formula for the 2021-22 year however the key changes are 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, (setting the MFG at +2%)
 - f. Changes to Sparsity calculations and funding allocations, summarised later in this report
 - g. Using the previous October census for calculating Deprivation FSM6 funding rather than the previous January census (reducing the lag)

Role of Schools Forum and the Local Authority

11. As 2022-23 will be another 'soft' year, our Wiltshire Schools Forum will be able to determine the school funding formula.
12. 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.
13. The final formula will be presented at Schools Forum in January 2022 when the final allocations have been confirmed and subsequently to the full Council for political ratification and approval in February 2022.
14. Wiltshire will be fully funded on the basis of the NFF values and therefore will be in a position to fund schools fully using NFF values.

Funding Values Proposed in the NFF for 2022-23

15. 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

16. The key funding decisions taken by Schools Forum for the 2021-22 year included.
- To include the NFF Mobility factor within the Wiltshire formula
 - To apply all other NFF factors in full
 - To increase sparsity funding by 3% not to the NFF rates
 - To set the Minimum Funding Guarantee at +2.00% (in line with NFF)
 - To transfer 0.5% of the Schools Block to the High Needs Block

Key Funding Decisions taken by Schools Forum for 2022-23

17. The key funding decisions to be taken by Schools Forum for the 2022-23 year include.
- To apply all NFF factors in full
 - To apply the NFF sparsity values and methodology
 - To set the Minimum Funding Guarantee at +2.00% (in line with NFF)
 - To agree the de-delegation arrangements for maintained schools (separate paper)
 - To transfer 0.5% of the Schools Block to the High Needs Block (separate paper)

Sparsity Funding

18. Following a consultation regarding Sparsity funding, in support of small and rural schools, the DfE has increased the level of support through the sparsity factor. The major changes to the factor include.
- The maximum amount of sparsity funding schools can attract through the NFF has increased by £10,000, to £55,000 for primary schools and £80,000 for secondary schools.
 - Using 'road' distances rather than 'crow flies' distances to calculate sparsity distances.
 - Retaining the sparsity distance thresholds at 2 miles for primary and 3 miles for secondary schools but introducing a distance tapering of 20% which means that schools with a sparsity distance of 1.6 miles in primary and 2.4 miles in secondary schools will become eligible for funding (tapered on a straight-line basis).
 - Wiltshire is funded on the basis of this new NFF methodology and will be expected to implement these changes into their local formula. This would bring more schools into scope for receiving funding, as detailed below.

| <u>2022-23</u> | <u>Primary</u> | <u>Secondary</u> | <u>TOTAL</u> |
|-----------------------|-----------------------|-------------------------|---------------------|
| Eligible Schools | 50 | 3 | 53 |
| Funding | £1,596,365 | £121,073 | £1,717,438 |
| <u>2021-22</u> | | | |
| Eligible Schools | 28 | 2 | 30 |
| Funding | £295,939 | £49,594 | £345,533 |

Budget Setting Process 2022-23

19. The timeline for setting the 2022-23 budget is expected to follow.

| | |
|------------------------------|---|
| December 9 th | Schools Forum agree in principle decisions for funding, de-delegation and block transfers |
| December 17 th | DfE issue funding allocations |
| January 20 th | Schools Forum confirm and 'sign off' school budgets for the 2022-23 financial year |
| February 15 th | School budgets signed off at Full Council meeting |
| By 28 th February | all schools notified of funding for 2022-23 |

20. 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 |

Initial Modelling

21. 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.

Proposal

22. Schools Forum to make 'in principle' decisions for the following formula factors to enable school budgets to be prepared ready for the January 2022 meeting.

- a. To apply all NFF factors in full
- b. To apply the NFF sparsity values and methodology
- c. To set the Minimum Funding Guarantee at +2.00% (in line with NFF)

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