

Wiltshire Council

School Funding Working Group: 23 September 2022

Schools Forum: 6 October 2022

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

Purpose of report

1. To outline the Department for Education (DfE) funding proposals for schools and high needs in 2023-24. The DfE published its document '*The national funding formulae for schools and high needs – 2023-24*', in July 2022.
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 2023-24 year will be taken later this year, following the announcement of the 2023-24 funding settlement.

Background

3. In the Autumn of 2019, the government announced its pledge to boost schools and high needs funding, affectionately referred to as '*the Boris Billions*'. Building on the 2019-20 funding levels, the cash increases of £14.5 billion over 3 years comprised;
 - 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, a further £730m for 2021-22 and a further £780m in 2022-23.
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 2023-24 year will be another 'soft' year with local Schools' Forum still retaining its role in determining the school funding allocation methodology.

Proposals for 2023-24

7. The 2023-24 year will be the first transition year towards the direct schools National Funding Formula (NFF). A tightening of the of the formula was confirmed following the first stage of the government’s consultation on the direct NFF. This tightening will ensure that for the 2023-24 year that:
 - Only NFF factors can be used in the local formula
 - All NFF factors must be used in the formula
 - LA’s are required to move their formula 10% closer to the NFF values
8. Wiltshire’s local school formula already mirrors the NFF and this is acknowledged by the DfE, therefore the tightening will have a minimal impact upon Wiltshire schools.
9. The DfE have announced the indicative DSG Block allocations, based upon October 2021 census data which formed the basis of the 2022-23 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 and in-year changes.
10. The table below sets out the indicative DSG funding for the Schools, High Needs and Central Blocks. *(The figures for 2022-23 include the Supplementary Grant for both the Schools Block and the High Needs Block.)* The Early Years Block figures are simply replicated from the 2022-23 allocation in order 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

11. 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. Increasing the DfE’s High Needs funding by £570m or 6.3%
 - i. All local authorities to see an increase in High Needs funding of between 5% and 7%

- j. A transfer of up to 0.5% of Schools Block funding to the High Needs Block will be permitted, subject to Schools Forum approval
- k. The Central School Services Block comprises of 2 elements, funding towards;
 - i. Historic Commitments - £235,110 (20% reduction year on year)
 - ii. Ongoing local authority responsibilities - £2,361,217
- l. The School Supplementary Grant to continue to be funded for academy schools for the period between April 2023 and August 2023, to avoid an unfair gap in funding between maintained schools and academies. From the end of August 2023, the Supplementary Grant will cease to operate as a separate grant.
- m. All NFF factors must be used in the formula
- n. 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.

Funding Values Proposed in the NFF for 2023-24

12. 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	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 taken by Schools Forum in 2022-23

13. A number of funding decisions were taken by Schools Forum for the 2022-23 year including;
- To apply all of the NFF factors in full
 - To fund sparsity in line with the NFF guidance
 - 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

Role of Schools Forum and the Local Authority

14. 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.
15. 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. This is the first time that a timeline for a move to the Direct NFF has been shared.
16. 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.

Budget Setting Process 2023-24

17. Local authorities are required to submit the proposed delegated budget for schools in their areas to the DfE in January 2023. The DfE are required to confirm the formula is fully compliant with the funding regulations and will then confirm budgets to academies during February 2023. The LA and the ESFA will need to notify maintained schools and academies of their budget shares by the end of February 2023, as in previous years.
18. 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 2023-24, the amount of funding available for distribution to schools will be calculated as follows;

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

Growth Funding

19. The new approach introduced as part of the NFF for calculating the Growth funding will continue in the 2023-24 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 2022 census and the October 2021 census will attract funding at:

- £1,520 per primary pupil
- £2,275 per secondary pupil
- £74,700 for each new school (no new schools in Wiltshire this year)

20. The level of Growth funding required in 2023-24 and size of the Growth Fund will be determined later in the year along with confirmation of Growth funding criteria.

Initial Modelling

21. 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 fully implemented. There are questions for Schools Forum to consider regarding a move to the full NFF.

De-Delegation

22. 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 consultation responses.

23. For the 2022-23 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 2021-22 and in previous years.

Notional SEN

24. 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 the first £6,000 of provision for all pupils with high needs.

Questions for Schools Forum

25. Under the funding guidance for 2023-24, Schools Forum will continue to be able to transfer up to 0.5% of their Schools Block allocation to other Blocks of the DSG.

26. As Wiltshire already mirrors the NFF, a decision regarding continuing to follow the NFF will need to be confirmed. No impact from the tightening requirements is likely to be felt in Wiltshire if a decision to continue following the NFF is agreed. (Wiltshire is one of 78 LA's out of the 150 in England, who are already mirroring the NFF)

Proposal

27. Schools Forum to note the content of the report and to consider the questions raised.

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