



Report to: Schools Forum

Date of Meeting(s): 14 October 2021

Subject: Schools Block Funding Formula – 2022/23

Report of: Colette Dutton – Director Children and Families

Contact Officer: Mark Rotheram - Strategic Finance Manager
Anthony Meehan – Group Finance Manager

Summary: A report outlining the currently known information in relation to the Funding Formula in 2022/23 including provisional allocations.

Recommendation(s): To note the information included within the report.

To agree to convene a sub-group meeting to review the modelling of school allocations for 2022/23.

Implications:

*What are the **financial** implications?* n/a

*What are the **staffing** implications?* n/a

Risks: n/a

Please list any appendices:-

Appendix number or letter	Description
N/A	N/A

1. Introduction

- 1.1 The national funding formula was introduced in 2018/19. As in previous years, in 2022/23, each Local Authority will continue to have responsibility for setting a local schools funding formula to determine the funding to be distributed to individual schools (referred to by the DfE as the NFF 'soft approach'). The government has confirmed its intention to move to a 'hard' national funding formula in the near future, a consultation on which concluded last month. It was agreed by Forum in 2018/19 that Wigan's local formula should mirror the national funding formula rates and this has continued since.
- 1.2 In July 2021 the provisional funding allocations for 2022/23 were received and a summary note was circulated to forum members.
- 1.3 The purpose of this report is to provide Forum members with a further summary of the provisional allocations, the key elements of the formula and to outline a timeline of actions to ensure the timely approval of next year's school level allocations.

2. National Funding Formula (NFF) 2022/23

- 2.1 In September 2019 the Government announced a 3 year funding package in relation to the DSG. This confirmed that in 2022/23 funding would be increased by £2.3 billion compared with 2021/22. It has now been confirmed that of this £2.3 billion, £780 million will be used to increase High Needs funding, leaving a £1.52 billion increase on the Schools Block.
- 2.2 Summarised below are the key changes/points of note in relation to the School's NFF for 2022/23:
 - There has been a significant increase in support for small and remote schools. The value of the sparsity factor has been increased significantly and changes have been made to the calculation of distance between schools. This, however, does not benefit Wigan schools as no schools attract funding under this factor.
 - The funding lag on the FSM6 factor has been reduced by 9 months in view of the change of census date used (i.e. change from January to October). This did however have an adverse impact on PPG funding in 2021/22.
 - The ESFA are centralising the business rates payment system for schools, so that the ESFA will pay billing authorities directly on behalf of state funded schools.
 - AWPUP, additional needs and lump sum factor values have been increased by 3%.
 - The mandatory minimum per pupil levels have been increased by 2%. (£4,265 for primary schools and £5,525 for secondary schools)
 - The NFF funding floor has been set at 2% for pupil led funding compared with the funding baseline.

- The LA will again be able to set the Minimum Funding Guarantee (MFG) between +0.5% and +2.0%

3. Provisional Funding Allocations

- 3.1 Provisional funding allocations were received in July 2021. This initial funding information is based on October 2020 census data and pupil numbers, which will be adjusted in the final allocation received in December 2021 to reflect any changes in pupil numbers in the October 2021 data. The pupil numbers used for the provisional funding details were 44,911 (26,155 Primary and 18,756 Secondary). Information on Growth Fund allocations will only be received in December.
- 3.2 Provided in the tables below is a summary of the provisional funding information for 2022/23.

Table 1: Provisional Funding Details 2021/22

	Value (Total)	Value (per pupil)
2021/22 Schools Block (exc. Growth)	£227.6m	£5,069
2022/23 Provisional Schools Block (exc Growth)	£233.2m	£5,194
Increase	£5.6m	£125

Provisional Allocation is calculated as follows:

Element	Number	Value (£)	Total (£)
Primary Unit of funding	26,155	4,637	121,275,956
Secondary Unit of funding	18,756	5,893	110,518,942
Premises			1,452,315
Total			233,247,212

- 3.3 As highlighted by the table above the provisional Schools Block funding for 2022/23 totals **£233,247,212** which is an increase of approx. £5.6 million on our 2021/22 actual allocation (c. 2.5% increase per pupil).

4. Next Steps

- 4.1 Modelling is currently ongoing to determine indicative funding allocations for schools. This will be based on the October 2020 census data for initial modelling purposes.
- 4.2 In December 2021 final allocations and an updated pro-forma tool including the October 2021 census data will be received and the final allocations can then be determined. The details of the final school level allocations need to

be submitted to the ESFA for approval by 21st January 2022. Political approval is also required prior to submission.

- 4.3 As in previous years it is proposed that a sub-group of Schools Forum meets to consider the key principles and school level notional allocations prior to the next Forum meeting in November. A further detailed report in relation to the formula factors will then be presented at the November meeting.

5. Recommendations

- 5.1 Schools Forum to note the information in relation to the 2022/23 funding formula outlined in this report.
- 5.2 To agree to convene a meeting of the sub-group to review initial modelling of the school's allocations for 2022/23. The proposed date for this meeting is 2nd November (pm).